

2023

ANNUAL REPORT

FINANCIAL YEAR 2022-2023

Contents

1.0 Corporate Profile	1
2.0 Mission Statement	2
3.0 Chairperson's Message	3
4.0 General Manager's Message	6
5.0 Report on Performance	7
5.1 Financial Overview.....	7
5.2 Operational Performance.....	7
5.3 Loan Schemes	8
5.3.1 Education Loan Scheme	8
5.4 Welfare Projects.....	13
5.4.1 Sodnac Wellness Park	13
5.4.2 St. Felix Recreational Park.....	15
5.4.3 Sealife Resort and Spa (Ex-Calodyne Sur Mer Hotel) and its hotel activity	16
5.4.4 Welfare Schemes.....	16
5.4.5 Welfare Activity – Blood Donation	17
5.4.6 PR Activities and Awareness Campaigns	17
5.5 Human Resource Matters	19
5.5.1 Importance of our Human Capital	19
5.5.2 Performance Management System.....	19
5.5.3 Important aspects considered at HR Level.....	19
5.5.4 Well-Being of employees.....	20
5.5.5 Occupational Safety and Health.....	22
6.0 In-House Loan Cover Scheme	23
6.1 Refund of Contributions	23
6.2 Investment Strategy	23
6.3 Return on Investments.....	24
7.0 Financial Highlights	25
7.1 Loan Schemes	25
7.2 Analysis of the Field of Study and Countries with respect to Education Loans granted.....	28

7.3 In-house Death Cover Scheme	29
7.4 Loans and Investments	29
7.4.1 Return on Investments	29
7.4.2 Return per Instruments.....	30
7.5 Surplus & Net Worth	30
8.0 Strategic Direction of the Fund	31
9.0 Corporate Governance Report.....	33
9.1 Compliance	33
9.2 Principle 1: Governance Structure	33
9.2.1 Board Charter.....	33
9.2.2 Obligations of the Board	34
9.2.3 Role of Board Chairperson.....	34
9.2.4 Role of General Manager	34
9.2.5 Role of Board Secretary	35
9.2.6 Code of Ethics	35
9.2.7 Ethics Policies and Procedures	35
9.2.8 Meetings of the Board and Conduct of Meetings	36
9.2.9 Board Meetings	36
9.3 Principle 2: The Structure of the Board and its Committees.....	36
9.3.1 Board Composition.....	36
9.3.2 Members' Profile	37
9.3.3 The Management's profile.....	39
9.3.4 Board Committees.....	40
9.3.5 Committee Charters	41
9.3.6 Board Committees for Year 2022/2023	51
9.4 Principle 3: Director Appointment Procedures	51
9.4.1 The EWF Act 1995.....	51
9.4.2 Induction.....	52
9.4.3 Attendance to Board and Sub Committees	52
9.5 Principle 4: Director Duties, Remuneration and Performance.....	52
9.5.1 Related Party Transactions	52

9.5.2 Board evaluation and development	53
9.5.3 Board Evaluation	53
9.5.4 Board Members' Remuneration	53
9.6 Principle 5: Risk Governance and Internal Control.....	53
9.7 Principle 6: Reporting with Integrity	56
9.8 Principle 7: Audit	57
9.9 Principle 8: Relations with Shareholders and Other Key Stakeholders	57
9.10 Other disclosures	58
10.0 Directors' Responsibility Statement.....	59
11.0 AUDITOR'S REPORT	61
12.0 Financial Statements	67

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 consisting 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; and
- 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 Chairperson's Message

On behalf of the Board, I am pleased to present the 31st Annual Report and Audited Financial Statements of the Employees' Welfare Fund (EWF) for the Financial Year ended 30 June 2023.

As Chairperson, I ensured that, in line with its Vision, Mission and Objectives, the EWF remains committed to enhance the well-being of the employees and their families across both the public and private sectors.

I am happy to share the Fund's performance for the year 2022-2023.

This year has been marked by significant achievements, and it is with great pride that we reflect on our contributions towards the United Nations Sustainable Development Goals (SDGs).

Review of Investment Strategies

One of the significant achievements this year, has been the review and restructuring of our investment strategies. We have adopted a more structured and holistic approach to managing our local portfolio. This includes the implementation of an Investment Policy Statement that outlines our objectives and which guides our asset allocation decisions. Additionally, we have appointed Investment Managers and a Custodian to actively manage our investments, ensuring the maximisation of returns while adhering to our risk appetite.

Loan Schemes

Our core activities revolve around providing loans at preferential interest rates. In response to changes in the economic landscape, we have reviewed our interest rates. The Education Loan, a cornerstone of our services, now stands at 4.5% to align with market rates. Furthermore, we have implemented a more favourable repayment capacity model, enabling a broader spectrum of clients to benefit from our loan products. Our Multipurpose Loans continue to be offered at a competitive interest rate of 6.5%, the lowest in the market.

Lease Agreement with Ministry of Housing

We are pleased to report the successful negotiation and signing of a new long-term Lease Agreement with the Ministry of Housing and Land Use Planning. This strategic move not only secures our premises but also positions us for future growth and service expansion.

Calodyne Hotel

We are actively working on a new business model for the operation and management of Calodyne Hotel. This initiative is aimed at upgrading the standards of the hotel to enhance the experience of our beneficiaries. In line with our welfare objectives, we are also in the process of working out preferential rates for Mauritian employees.

Pension Plan Deficit Set-Off

To secure the financial well-being of our employees, we have made a payment of Rs26.4m to eliminate the deficit in the Pension Plan. Additionally, we have increased the EWF's contribution to the plan, ensuring a secure future for our beneficiaries.

Human Resources and Welfare

Recognizing the importance of our team's well-being, we have increased our contribution to the Medical insurance plan for our employees. We have also made strategic appointments in the Human Resources division to further enhance our service delivery. Internal Promotions have been granted, recognizing the dedication and contributions of our staff.

(SDG 3 - Good Health and Well-being):

1. Community Engagement Blood Donation

Our commitment to community welfare remains unwavering. This year, we organized our fifth blood donation activity in collaboration with the National Blood Transfusion Service, resulting in 104 pints of blood collected.

2. Sodnac Wellness Park

Our dedication to holistic well-being continued through the vibrant activities at the Sodnac Wellness Park. Not only has the park served the general public, but it has also been an essential resource for the Police Department's daily training and physical exercises. In addition, educational institutions like Patten College and Lycée de Labourdonnais utilized the park for physical education and problem-solving courses.

3. Health and Wellness

As part of our ongoing commitment to promote health and wellness, we have actively participated in the Health Track Project at Souillac, initiated by the Ministry of Health & Wellness. The project, aimed at improving the overall health of our community, aligns seamlessly with our mission.

The Board approved our participation through a one-off contribution of Rs 5 million, reaffirming our dedication to the health and well-being of our beneficiaries.

(SDG 13 - Climate Action)

Environment and Climate

Recognizing the importance of environmental conservation, we approved, in principle, our participation in the greening and embellishment project of the Motorway M1 and M2 led by the Ministry of Environment, Solid Waste Management, and Climate Change. The specifics of our

involvement are currently being finalized as we contribute to a greener and more sustainable future.

These achievements underscore our dedication to well-rounded well-being, community engagement, and environmental responsibility as we strive to enhance the quality of life for all employees in Mauritius.

The Way Forward

As we look ahead, we are mindful of the challenges posed by a dynamic economic environment. We remain committed to our mission of enhancing the well-being of employees in Mauritius, and we will continue to adapt and innovate to meet their evolving needs.

In closing, I extend my deepest gratitude to the dedicated team at the Employees' Welfare Fund, whose relentless efforts have contributed to our achievements this year. I also thank the Board, the Ministry of Finance and Economic Development, the Government and all stakeholders and partners for their invaluable support.

4.0 General Manager's Message

I am honored to present the annual report of the Employees' Welfare Fund (EWF) for the financial year ending 30th June 2023 and to share our vision for the future. The Financial Statements have been prepared in compliance with International Public Sector Accounting Standards (IPSAS) as recommended by the Statutory Bodies (Accounts and Audit) Act 1972 (amended).

The operations of the Fund have been carried out in line with the specific mandate as set out in the EWF's Act of 1995, and we have maintained our unwavering commitment to adhere to our core values and focus on our strategic objectives.

Based on the objectives of the Fund, we have consolidated our position in the provision of the Education Loan Scheme to our members. This scheme has remained our premium loan product and we believe that, so far, EWF has brought significant contribution in the upgrading the level of education in Mauritius and Rodrigues. Today, more than 29,000 employees have benefitted from the Education loans either for their own studies or for their families.

We demonstrated our relentless efforts in responding to the evolving needs of our customers. We further strengthened our customer-centric approach by adapting our loan schemes and service delivery to enhance customer experience.

The Financial Year 2022/2023 was a year of recovery whereby the Fund continued to show resilience despite the challenges it faced amidst difficult economic conditions both at local and international levels. Although the growth of the Fund for the year was relatively lower than previous years, there is a sign recovery both in our loan schemes and investments and we are confident for a potential growth in the near future.

Being a Governmental organisation, which has been set up to cater for the welfare of all employees, we also recognize our responsibility towards the environment, society and governance. We strive continuously to reduce carbon footprint in all our activities. We have promoted our online services to reduce the number of visits to our Office and reduce paper-based processes. Fostering good governance is at the center of everything we do so as to demonstrate transparency, equity and fairness.

Looking ahead, we are excited about the future. We are looking forward to reposition EWF as a leading institution promoting welfare of its members and in contributing to the Mauritian Economy. Innovation and leveraging on emerging technologies are no more options but necessities for the continued existence of organisation like ours.

Our dedicated and talented team has been the driving force. I want to express my gratitude to our employees for their hard work and commitment. We will continue to foster team work and invest in employee development.

Before concluding, I thank the EWF's Board of Directors for their unflinching collaboration and support to Management and Staff.

5.0 Report on Performance

5.1 Financial Overview

The growth of the Fund during the financial year 2022/2023 was 1.4% as compared to 1.2% 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 2023 stood at Rs2.99billion.

The Net Surplus for the period amounted to Rs31.1m as compared to Rs65.2m representing a decrease of 52.3% which is due to reduction of loan interest, rental income and increased administrative costs, and loss on disposal of scraped and unserviceable assets at Calodyne hotel.

	2021 / 2022 (restated)	2022 / 2023	Incl/ (Dec)
Operating Surplus	Rs 52.2m	Rs 35.7m	(31.9%)
Net Surplus	Rs 65.2m	Rs 31.1m	(52.3%)
Fund Value	Rs 2.96b	Rs 2.99b	1.4%

5.2 Operational Performance

Two of the main objects of EWF are:

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

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

The summarized review of EWF's performance is presented below which covers the various activities undertaken by the Fund during the year 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

First introduced in 1995, the Education Loan Scheme remained the main loan product. Significant importance has been attributed to the Education Loan since so far it has helped more than 29,000 members in Mauritius and Rodrigues to pursue their own higher educations or that of their families. The favorable terms of the loan, such as a low interest rates and administrative costs have largely benefited our members.

Over the past two years, the demand for education loans has been notably affected by the Covid-19 pandemic and the implementation of free higher education in public Tertiary Education Institutions. However, as the pandemic recedes, a resurgence in the demand for education loans is being noted.

Change in Interest Rate

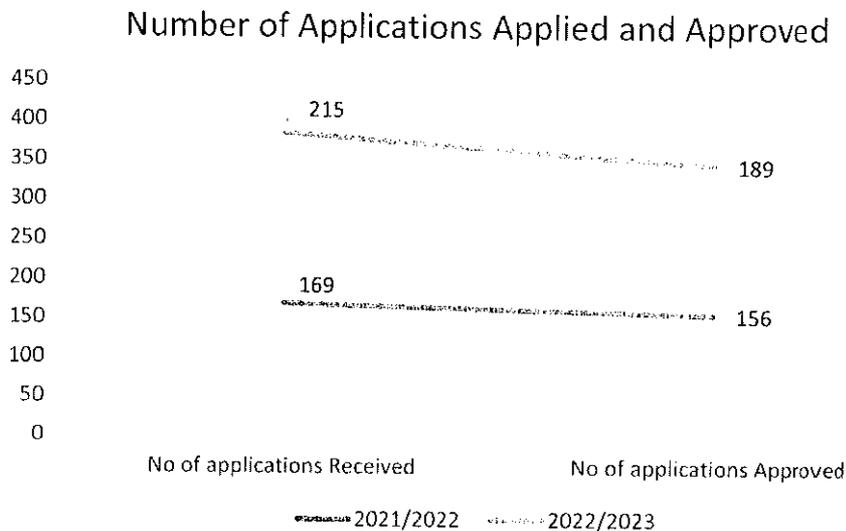
The interest rate on education loans was reviewed during the financial year. This review was prompted by the gradual rise in the key rate (repo rate), which escalated from 1.85% to 4.5% in a relatively short span, that is, between March 2022 and December 2022. Consequently, the preferential interest rate for education loans up to Rs1 million was adjusted from 4% to 4.5%, effective as from 01 March 2023 while the interest rate for the additional loan amount, above Rs 1 million, remained unchanged at 6%.

Review in Repayment Capacity

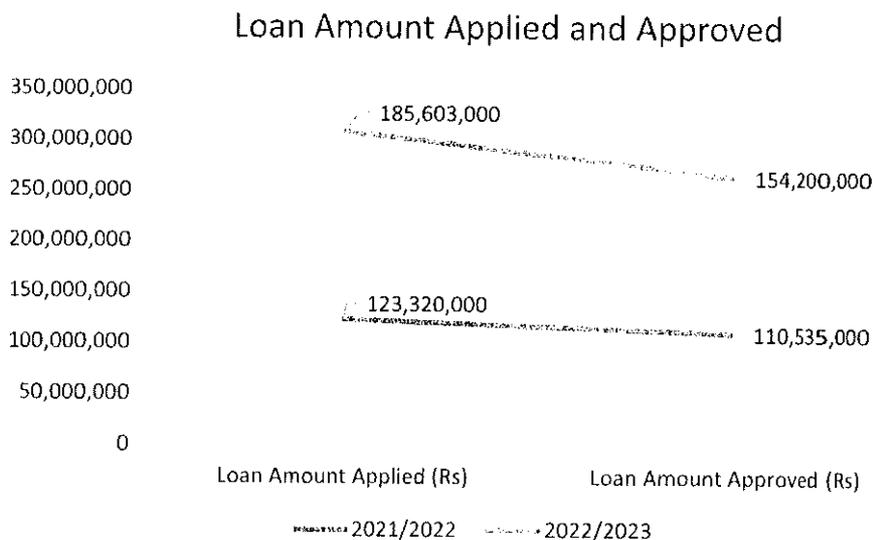
Repayment Capacity is a credit assessment criterion used to measure the ability of borrowers to repay their loan throughout the period of the loan. It was observed that after a review of repayment capacity conducted in 2021, individuals earning a monthly salary ranging from Rs30,000 to Rs40,000 were being negatively impacted. To this end, the repayment capacity was reviewed as from 01 March 2023 whereby more members are now eligible while at the same time not compromising on the ability to pay of borrowers.

For the period July 2022 to June 2023, 215 new applications were received while 189 was approved.

The chart below shows a comparison on **number of applications** applied and approved for financial year 2021/2022 and 2022/2023.



The chart below shows a comparison on **the loan amount** applied and approved for financial year 2021/2022 and 2022/2023.



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 demanding. No application has been received under this scheme for financial year 2022/2023.

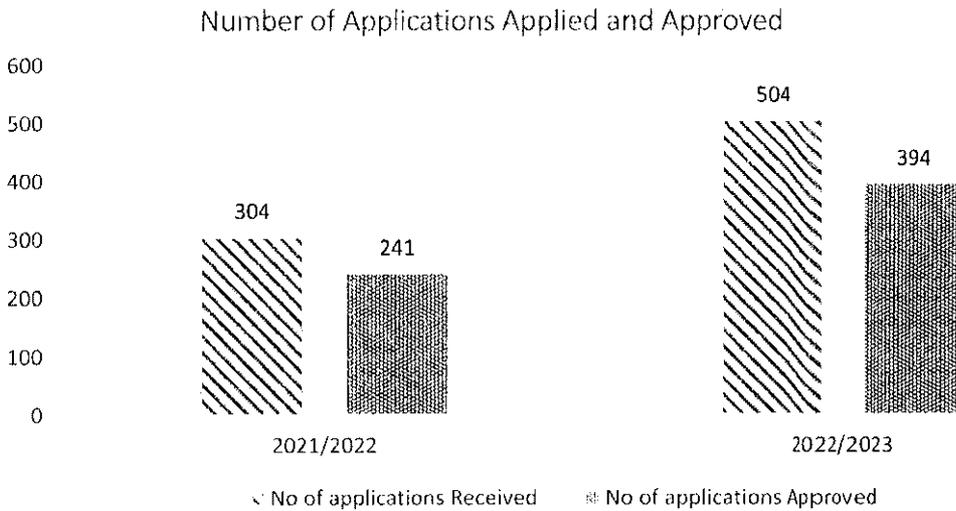
5.3.3 Multipurpose Loan Scheme

The Multipurpose Loan Scheme, introduced in August 2021, has quickly gained popularity and has witnessed a continuous increase in demand since its inception. Given the high interest shown

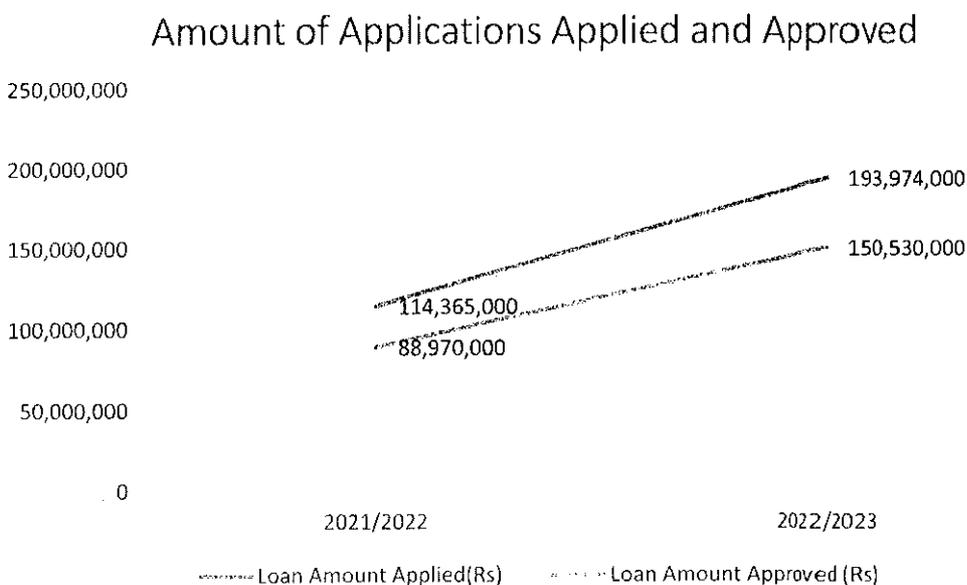
by our members for this loan, the interest rate has been maintained at 6.5% despite the increase in the key rate.

Additionally, the repayment capacity was also reviewed to make it more accessible to different income groups.

The table below shows the number of applications applied and approved for the period ended 2021/2022 and 2022/2023.



The chart below shows a comparison on **the loan amount** applied and approved for financial year 2021/2022 and 2022/2023.



5.3.5 Employees Car Loan Scheme

The Car Loan Scheme caters for purchase of new and reconditioned car. This scheme was launched in December 2010.

For financial year 2022/2023, 19 applications were received and 16 applications were approved.

The table below shows a comparison of applications received and approved for financial year 2021/2022 and 2022/2023.

Car Loan Scheme		
Loans	2021/2022	2022/2023
No of applications Received	11	19
No of applications Approved	10	16
Amount Applied	7,111,600	12,548,400
Amount Approved	6,049,600	10,035,400

5.3.6 Loan for People with Disabilities Scheme

Despite the increase in the key rate, the Loan for People with Disabilities Scheme has been maintained at 4% over the years. This loan has been implemented to benefit people with disabilities to cater for their medical expenses, studies, purchase of cars and renovation works among others.

For period July 2022 to June 2023, we received only 2 applications and both applications were approved for a total amount of Rs340,000.

The table below shows a comparison of applications received and approved for financial year 2021/2022 and 2022/2023.

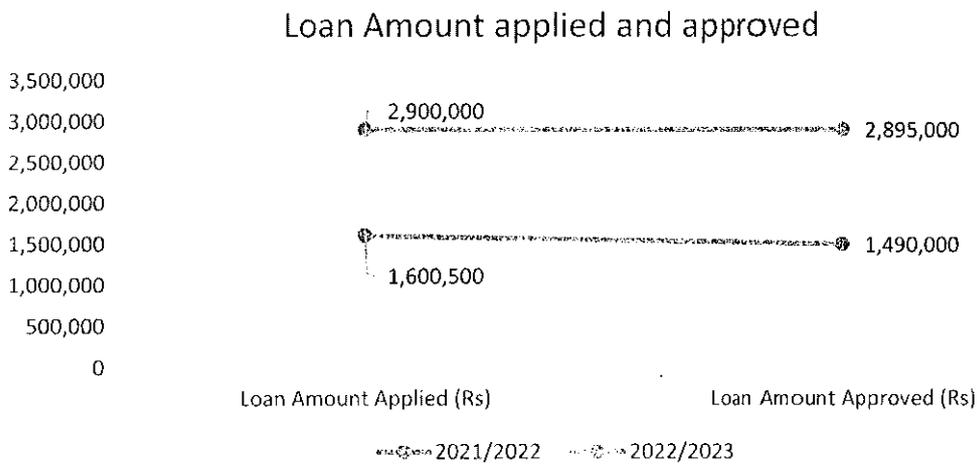
Loan for people with disabilities		
Loans	2021/2022	2022/2023
No of applications Received	4	2
No of applications Approved	4	2
Amount Applied	1,200,000	340,000
Amount Approved	1,200,000	340,000

5.3.7 Medical Loan Scheme

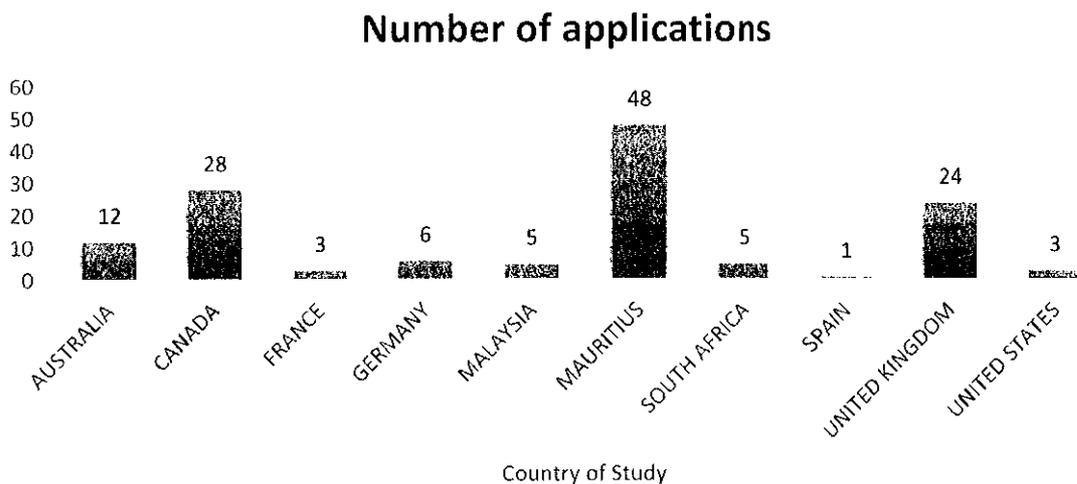
This loan was introduced to help employees finance urgent medical intervention or treatment both locally or abroad. Employees may apply for the loan for their own treatment or for their families.

For financial year 2022/2023, we received 10 applications and all 10 applications were approved compared to 8 applications received for the year 2021/2022.

The chart below shows a comparison on the loan amount applied and approved for financial year 2021/2022 and 2022/2023.



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



Field of Study/Country	AUSTRALIA	CANADA	FRANCE	GERMANY	MALAYSIA	MAURITIUS	SOUTH AFRICA	SPAIN	UNITED KINGDOM	UNITED STATES	Grand Total
Accounting, Banking and Finance	1	1			2	8			1		13
Arts and Make up Artist		1							1		2
Business, Commerce, Management & Administration		3									3
Business, Management and Administration	1	3				2	1		2		9
Chemistry		2									2
Civil, Mechanical, Electronic, Electrical Engineering	3	4		5					1	1	14
Communication						2	1		1		4
Computer Science and Information Technology	2				1	5					8
Cookery and Patisserie						2					2
Economics			1						1		2
Law, legal studies and Bar						10			12		22
Management and Marketing						2					2
Mathematics	2	1							1		4
Medical						6	1				7
Project Management						2					2
Science, Food Science & Psychology	1	5	1		1	3					11
Others	2	8	1	1	1	6	2	1	4	2	28
Grand Total	12	28	3	6	5	48	5	1	24	3	135

Number of Education loans disbursed based on Country of Study and Fields of study.

5.4 Welfare Projects

The Employees' Welfare Fund (EWF), in line with one of its main objectives as defined by the EWF Act of 1995; that is, "to set up and operate schemes and projects for the welfare of employees and their families", is continuously working towards the identification and implementation of welfare projects and schemes.

Health and recreation, being very meaningful components of human well-being, have been the catalyst behind EWF welfare projects.

EWF welfare projects aim at striking the right balance between health, recreation and work by providing employees with the opportunity to promote their physical as well as mental health. Indeed, a healthy mind combined with a healthy body leads to better productivity at the workplace and this serves the interest of both employees and employers. Ultimately, this project integrates the social, economic and environmental aspects of human life.

So far, 2 major welfare projects have been implemented, namely the **Sodnac Wellness Park** and the **St. Felix Recreational Park**.

5.4.1 Sodnac Wellness Park

Based on the motives defined above, the EWF, in collaboration with the Special Mobile Force (SMF), financed the setting up of the Sodnac Wellness Park situated at the Rifle Range, Candos

Hill. The site is actually under the jurisdiction of the SMF. Moreover, the site spreading over the jurisdictions of both the Municipal Councils of Vacoas/Phoenix and Quatre Bornes, they were called upon to partner in the project.

The topography of the park spreads over a total surface area of 125,053 m² (29 acres 63 perches).

The Sodnac Wellness Park comprised of the following components:

- A Jogging Track of approximately 2.5 kms with lighting facilities;
- Outdoor Gym Equipment
- A Garden with 600 endemic plants;
- Overall landscaping works with ornamental plants;
- 2 Football Playgrounds;
- A family corner with kiosks and benches;
- Wooden exercise equipment for warm-up;
- A parking area for around 100 cars,
- Water drainage system all-round the jogging track;
- Irrigation network around the park;
- Complete fencing of the site with access gates;
- Access Road from Sayed Hossen Avenue;
- An SMF Guard post;
- Toilets; and
- New sign posts.

The opening hours are as follows:

- Weekdays - 05hr00 to 09hr00 and 16hr00 to 19hr30
- Weekends & Public Holidays- 05hr00 to 19hr30

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 a great demand for the use of the Sodnac Wellness Park during the period 2022/2023. The main requests are as illustrated in table below:

SN	Date of Event	Institution	Activity	Status
1	Monday 19 June & Wednesday 05 August 2023	Patten College	SC Examinations – Physical Education	Completed
2	Tuesday 21 March 2023	Lycée de Labourdonnais	Course d'Orientation	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.

5.4.2 St. Felix Recreational Park

In collaboration with the Beach Authority (BA) and the District Council of Savanne (DCS), EWF implemented the St. Felix Recreational Park Project situated at Pointe au Roches public beach. Given that the site identified for the project spreads over both the plot owned by the DCS and the Pointe Au Roches public beach falling under the control of the BA, both the DCS and BA were taken on board as partners in the project. The site covers an area of around 4.5 acres including the old decommissioned road which has been converted into a jogging track.

The St. Felix Recreational Park project was officially launched on 10 December 2017.

Given a significant lack of recreational facilities in the southern region, this project is cherished mainly by the inhabitants of Chemin Grenier, Chamouny, Rivière des Galets and Surinam.

Some 200 persons visit the park daily especially for jogging, warm-up exercises and for playing soccer. During week-ends, more youngsters attend the park for playing beach soccer.

Components of the Project

The project consists of the following components:

- A beach soccer pitch of an approximate area of 1000m²;
- A jogging track along the existing decommissioned tarred road adjoining the Council plot over a length of around 1.7 km;
- Lighting facilities along the existing jogging track;
- A pétanque arena of an approximate area of 150m²;
- An exercise corner with wooden exercise equipment (7 in all);
- A wooden ramp with concrete base around toilet area to facilitate access to beach by persons with disabilities and the elderly;

- A wooden bridge with concrete base facilitating access to new jogging track from parking area; and
- Landscaping works around the bridge area up to the tarred jogging track.

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.

5.4.3 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 major renovation works to bring the hotel to a status of a five-star luxury boutique hotel, aimed at uncompromising commitment to customer experience.

The hotel will include the following:

- 74 rooms –all with flawless sophistication such as private gardens, open air jacuzzi, in-room dining facilities and refined furniture amongst others;
- Two restaurants offering gourmet food lovers the most exquisite treat and one open air bar;
- A prestigious spa with a selection of wellness treatment; and
- A Spacious Fitness Centre.

5.4.4 Welfare Schemes

Moreover, the EWF also has *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.

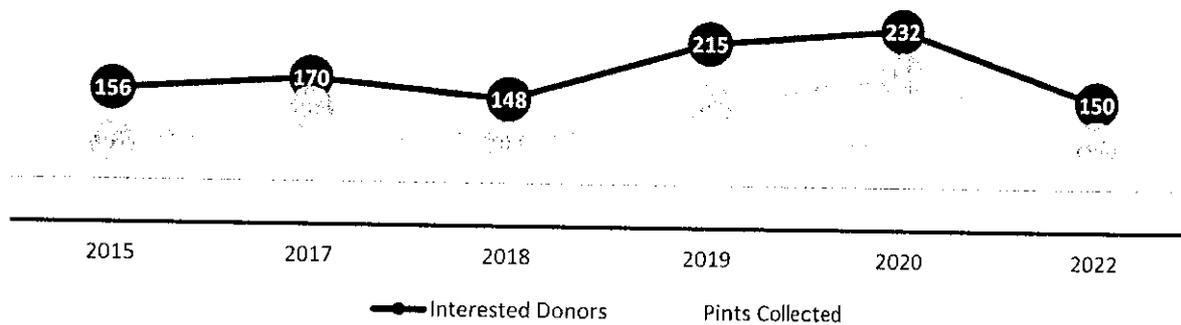
Eligible applications for Financial Assistance have been entertained as per below:

FINANCIAL ASSISTANCE SCHEME			
YEAR	DESCRIPTION		Amount
	FIRE VICTIMS	DEATH ON SITE	
July 2022- June 2023	1	0	Rs.25,000

5.4.5 Welfare Activity – Blood Donation

In view of addressing the shortage of blood availability at the blood bank, the EWF, as the main Public Organisation in the provision of services promoting welfare of employees and their families, organized its fifth blood donation activity on 11 November 2022 from 09hr00 to 15hr00 in collaboration with the National Blood Transfusion Service (NBTS). The total number of persons who expressed their wish to donate was 150 but only 104 pints of blood were collected, which was lower as compared to the last Financial Year.

Statistics for the last five years is as per below chart:



5.4.6 PR Activities and Awareness Campaigns

As per its object No.3 viz. "To give loans or financial assistance to employees or their families for such purposes as may be determined by the Board", the EWF, has, since 1995, been providing loan facilities to its members and has disbursed a total amount of MUR 7.4Billion as at end of Financial Year 2022/2023.

As the COVID-19 pandemic continues to evolve, EWF has to rethink and reconfigure its loan products so as to address the changing needs and demands of its members. The EWF has thus introduced new loan products and reviewed existing ones.

The EWF has made it a must to participate and marked its presence in national level events such as:

- The Civil Service Kermesse 2022 held November 2022;
- The Mauritius International University & Career Expo held in February 2023; and
- Training and Career Guidance Expo in Rodrigues Island held in February 2023

Advertisement/Advert regarding the EWF Products and Services were also placed in the:

- Police Magazine 2022
- Prison Magazine 2022

Considering the needs of EWF as a major welfare organisation and the changing needs of its members, it is of utmost importance for the EWF to define and implement a new marketing strategy so as to gain back its market share and build further. In order to accompany the changes in the loan policies, a marketing, communication and awareness plan has been established and would be launched at start of the next FY 2023/2024. EWF will also be working on a clearly defined marketing strategy with well-defined expected results.

- The EWF, as at end of FY 2022/2023, had a total of 4,609 followers on its Facebook Page compared to 4,507 followers during the FY 2021-2022.
- The EWF, has also created its LinkedIn Page, in FY 2022/2023 for a more professional network which will allow the Fund to build credibility, create a meaningful network and establish itself on the market. As at end of FY2022/2023, it had 17 connections.

5.5 Human Resource Matters

5.5.1 Importance of our Human Capital

With the growing corporate world, there has been a rise in new recruits and leavers at EWF. Managing the workforce can be an uphill battle alone for organisations. For better business success and enhanced workforce management, the Human Resources (HR) department plays a vital role. We understand that in the current environment, skills and knowledge are becoming increasingly important for the quality of human capital, therefore the ability to retain it has become a key issue for organisation from all business sectors.

HR Annual Reports enable EWF to evaluate human resources activities affecting our performance each year to drive competitive strategies and determine if action needs to be taken in our HR environment to increase the dynamics of HR development

5.5.2 Performance Management System

Monitoring employee performance is a fundamental task of the HR Unit as it provides the needed insights to ensure the business works at its best capacity. Employee performance can be tracked on a departmental, team, or individual level. For example, if customer service is dropping, HR might analyze the development of the customer service team to understand if something is lacking there.

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 organisation requirement. KPIs are used to observe the progress and measure actual results as compared to expected results.

5.5.3 Important aspects considered at HR Level

1. Working environment - Designing working areas, open and inclusive culture.
2. Good line management - Effective people management policies, training for Supervisors.
3. Work demands – Appropriate scheme of service, job roles, job quality, workload, working hours, job satisfaction, work-life balance.
4. Change management - Communication, involvement, leadership.

5.5.4 Well-Being of employees

The Employees' Welfare Fund caters for the well-being of its working force by providing welfare activities throughout the year 2022-2023. This has helped to create a team spirit 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:

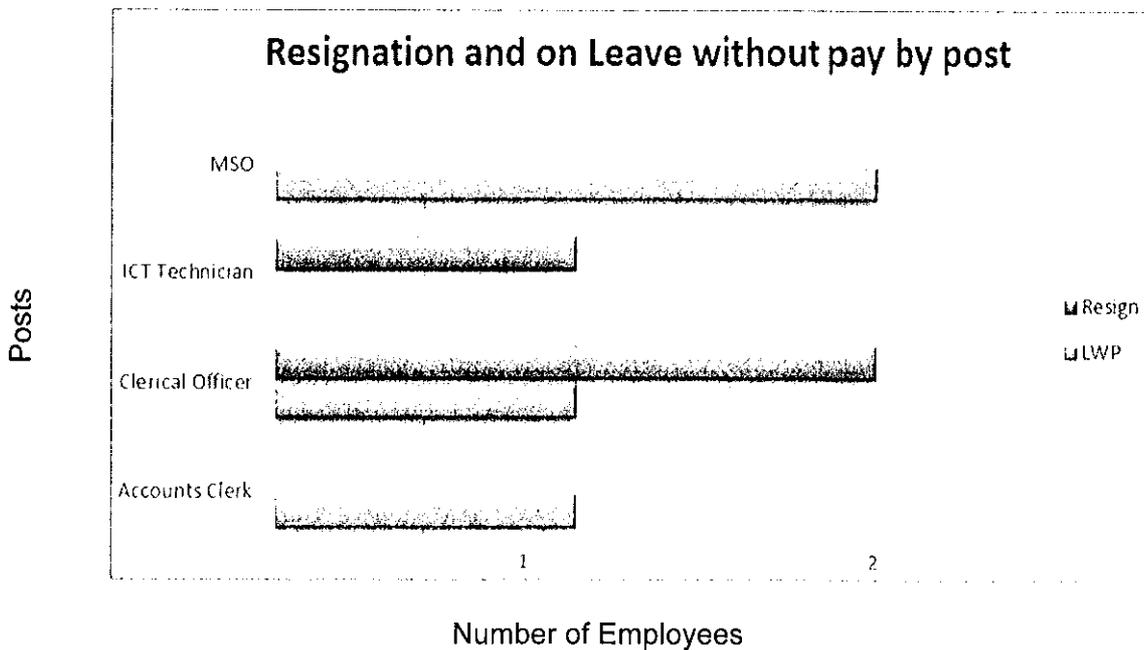
- provide Motivation: Employees working in the organisation are precious assets, who need to be motivated from time to time;
- promote a healthier and more inclusive culture;
- encourage work-life balance;
- increase employee morale and engagement;
- increase productivity: Motivated employees always serves better productivity to the organisation, which enhances the organisation's as well his personal career growth day by day; and
- create strong employer-employee bond: Providing employee welfare benefits acts as a give and take relationship amongst the employer and the employees.

Fostering employee wellbeing is good for people and EWF aims to promote the wellbeing which may help prevent stress and create a positive working environment. Good health and wellbeing can be an essential enabler of employee engagement and organisational performance.

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	Jul-22	Tea Party - Bring and Share
3	Oct-22	Farewell- Head of HR
4	Oct-22	Divali Gathering
5	Dec-22	Christmas Lunch
6	Dec-22	Domino Tournament
7	Jan-23	Spring Festival
8	Mar-23	Independence Day
9	Mar-23	Women's Day Celebration
10	Mar-23	Ugaadi & Gudi Padwa
11	Apr-23	Eid Ul Fitr
12	Apr-23	Visit - Staff Baby
13	May-23	Visit - Staff Baby
14	Jun-23	Team Building and Social Gathering

Employee turnover and/or employee on leave without pay



5.5.5 Occupational Safety and Health

The mission of the Occupational Safety and Health is to:

1. Promote a decent work environment;
2. Protect the safety and health of any employee against any risk at his/her workplace;

The HR unit & the Occupational Safety and Health consultant aims at the promotion and maintenance of the highest degree of physical, mental and social well-being of all employees in all occupations, Increasing emphasis has to be placed on improving working conditions and work organisation in relation to stress at work and on practical measures to cope with stressful work situations.

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 is held every two months and follow up is being made by the Project Manager.

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 for permanently disabilities 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 2022/2023 was Rs5,658,767 and amount set off against the scheme amounted to Rs2,806,722. The In-house loan cover balance as at 30 June 2023 stood at Rs74,663,676.

The table below illustrates the In-house Loan Cover for the year ended June 2023.

In-House Loan Cover for the year ended June 2023	
Total No. of Clients	13,652
Premium Collected (Loan Schemes)	Rs5,654,767
Premium Collected (Staff Loan)	Rs4,000
Amount Written-off	Rs2,806,722
Reserve Fund Value as at 30 June 2023	Rs74,663,676

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 2022/2023.

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.”,

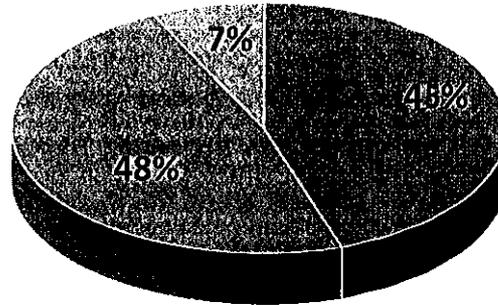
An Investment Policy Statement (IPS) has been approved by the Board which defines the investment strategies of the Fund. Two investment managers have been appointed to actively manage the local investment portfolio.

The allocation of funds into loans and local and foreign investments were as follows:

- 45% Loan Schemes

- 48% Local Equity Markets and Treasury Bills
- 7% Foreign Investments

Investment Structure 2022/23



■ Loan Schemes ■ Shares and T Bills ■ Foreign Investments

6.3 Return on Investments

As a result of the investment policy undertaken, the return on investments during the year under review amounted to Rs83.5 million as shown in the table below:

Instruments	2022/2023 Rs
Loan Schemes	66,468,730
Equity on Local Market	6,407,211
Bank Deposit and Fixed Income Instruments	10,654,221
Total	83,530,162

7.0 Financial Highlights

7.1 Loan Schemes

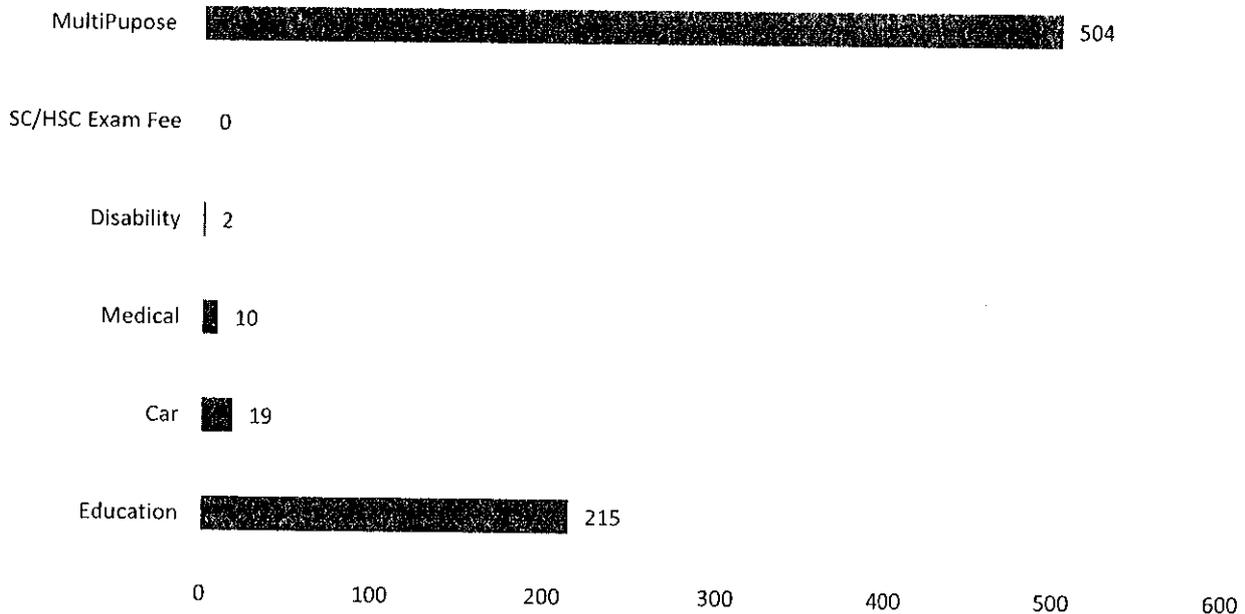
Comparative Analysis of the number of applications received and amount of loans approved and disbursed for the year 2022/2023 were as follows:

All Loans

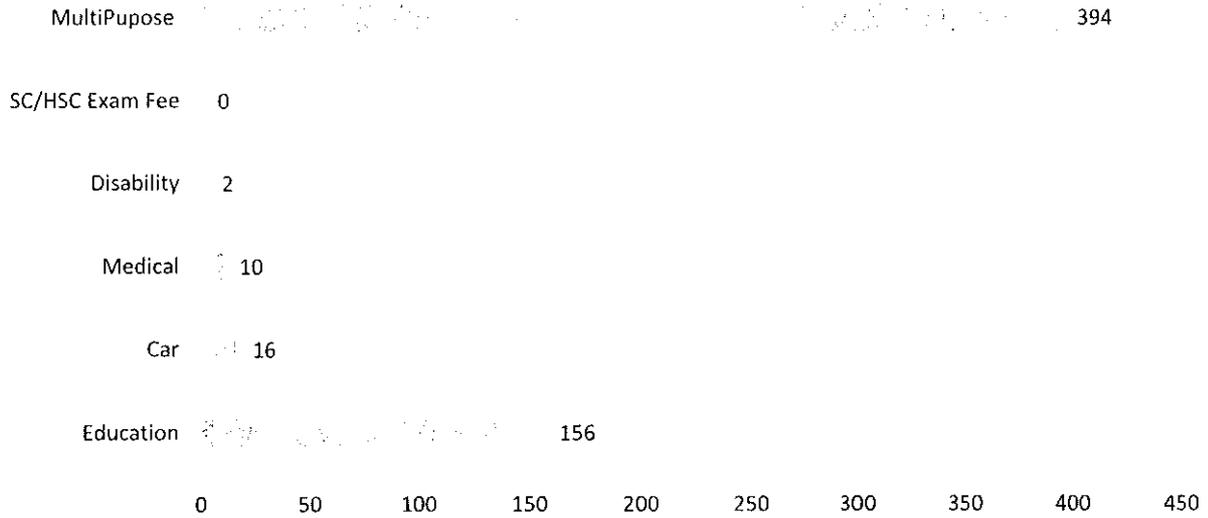
Loans	2021/2022	2022/2023
No. of Applications Received	531	750
No. of Applications Approved	453	578
Amount Approved (Rs)	215,230,679	318,965,400
Amount Disbursed (Rs)	193,337,678	256,215,000
Amount Repaid (Rs)	391,555,992	318,469,998
Net Disinvestment/(Reinvestment) (Rs)	198,218,314	(62,254,998)

Statistics on Loans for the financial year 2022/2023

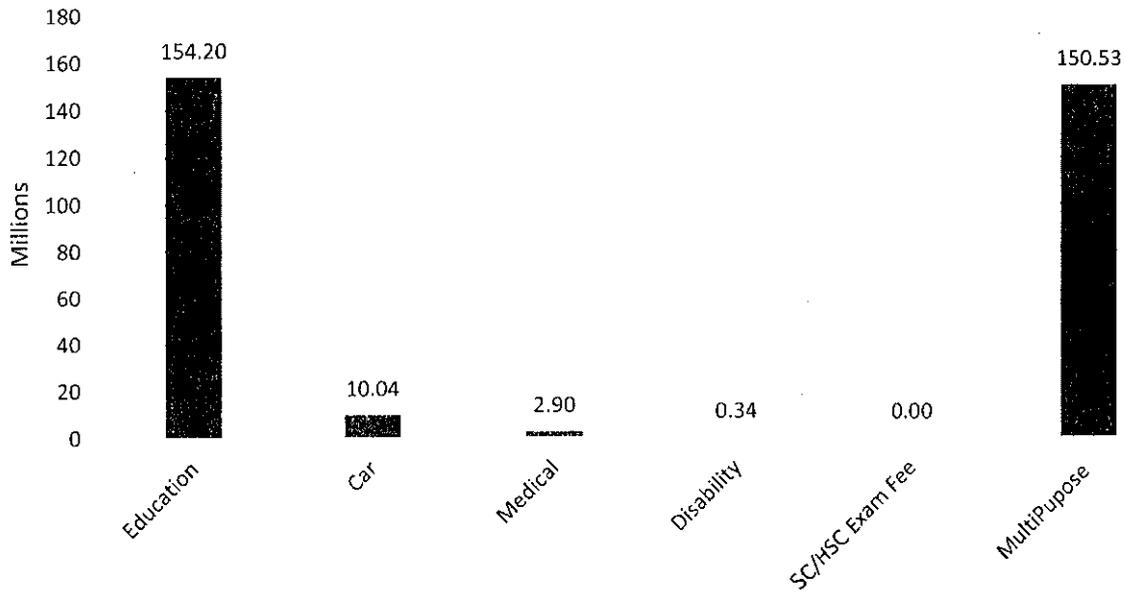
No of applications Received - 2022/2023



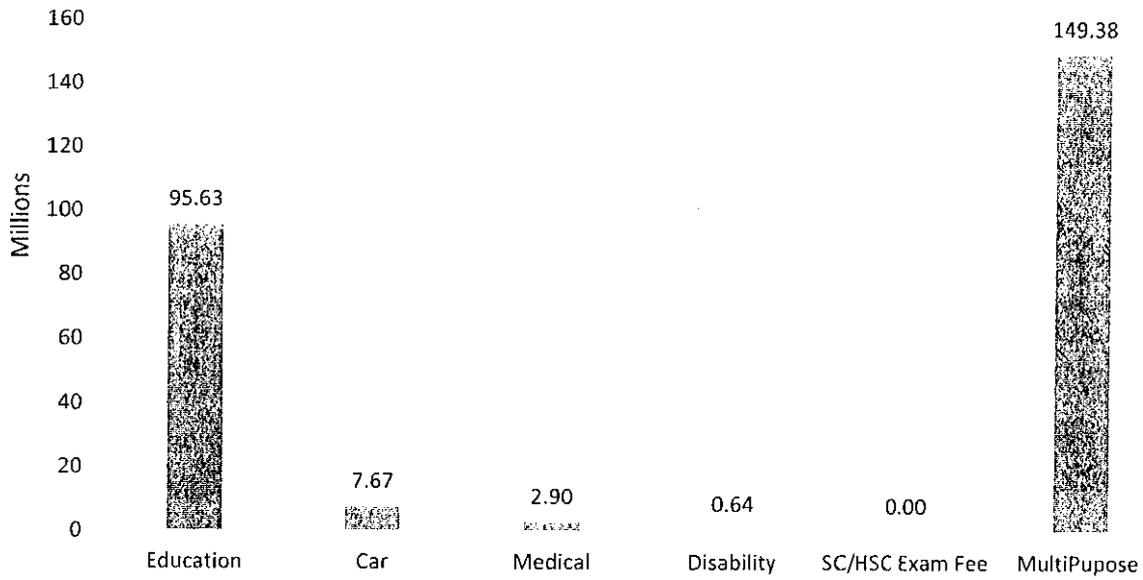
No of applications Approved - 2022/2023



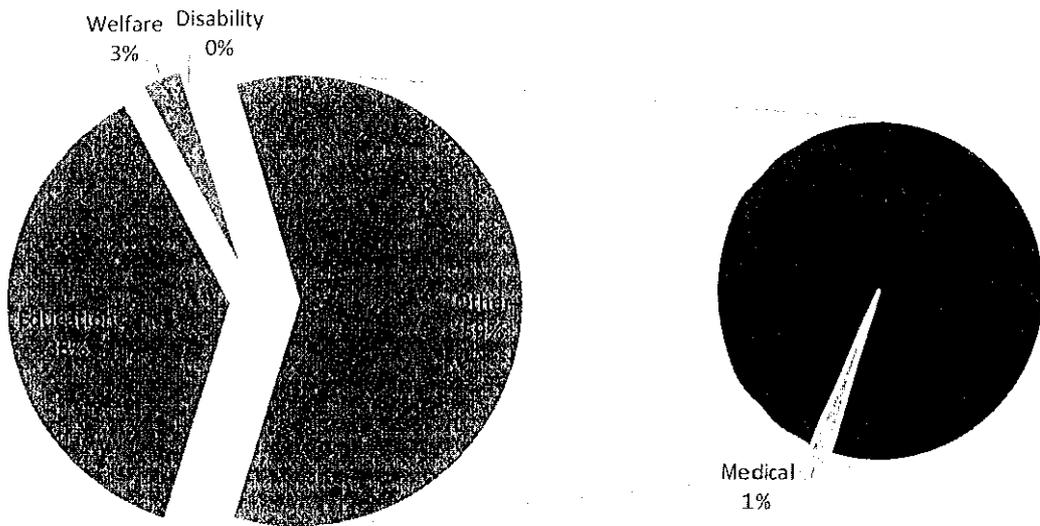
Amount Approved - FY 2022/2023



Amount Disbursed - FY 2022/2023

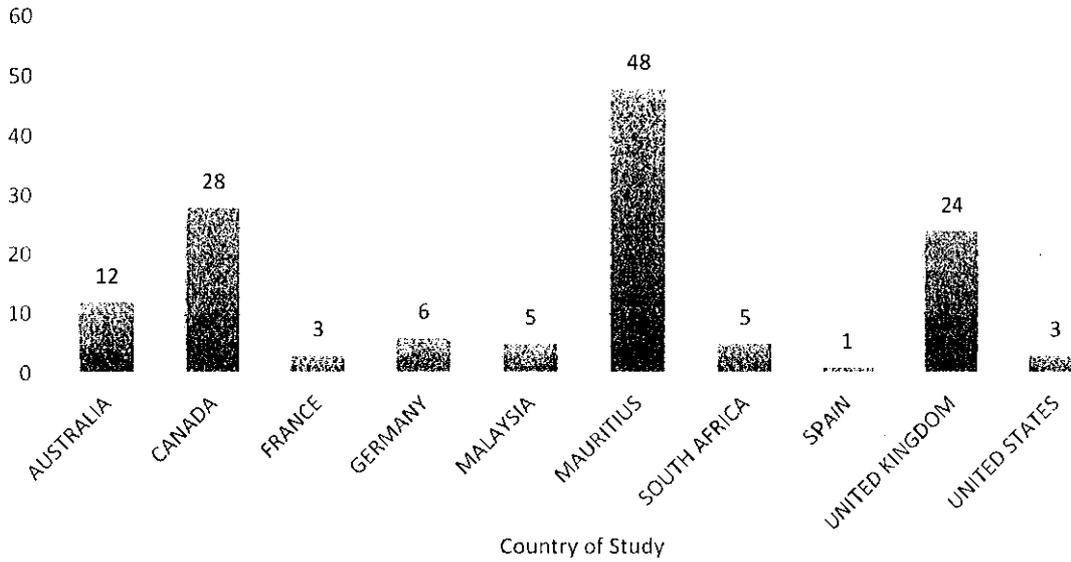


Amount Disbursed - Year 23-23



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

Number of applications

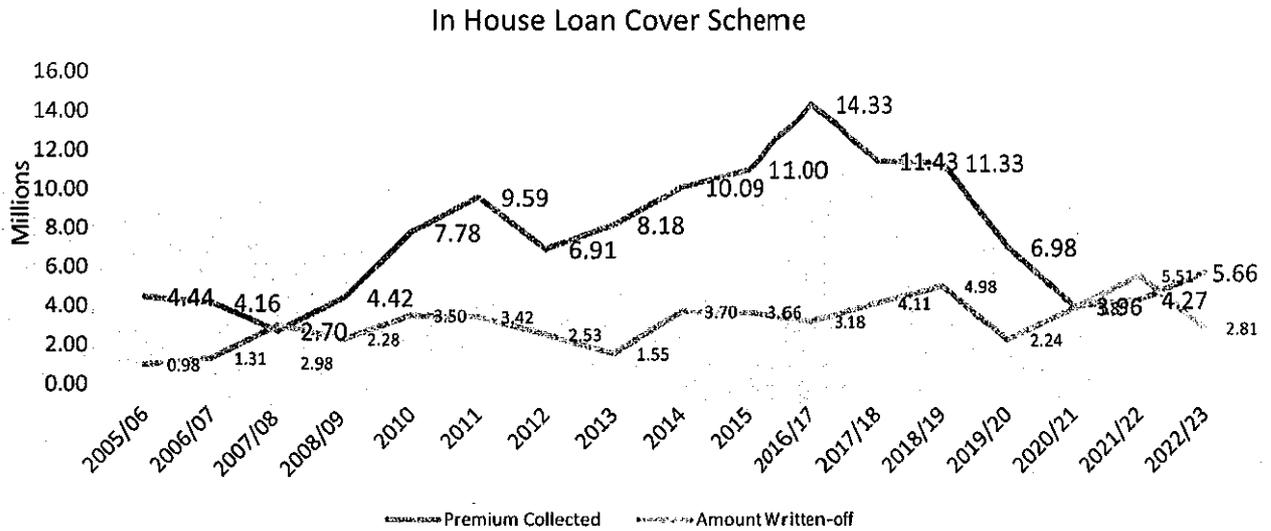


Field of Study and Countries for the year 2022/2023

Field of Study/Country	AUSTRALIA	CANADA	FRANCE	GERMANY	MALAYSIA	MAURITIUS	SOUTH AFRICA	SPAIN	UNITED KINGDOM	UNITED STATES	Grand Total
Accounting, Banking and Finance	1	1			2	8			1		13
Arts and Make up Artist		1							1		2
Business, Commerce, Management & Administration		3									3
Business, Management and Administration	1	3				2	1		2		9
Chemistry		2									2
Civil, Mechanical, Electronic, Electrical Engineering	3	4		5					1	1	14
Communication						2	1		1		4
Computer Science and Information Technology	2				1	5					8
Cookery and Patisserie						2					2
Economics			1						1		2
Law, legal studies and Bar						10			12		22
Management and Marketing						2					2
Mathematics	2	1							1		4
Medical						6	1				7
Project Management						2					2
Science, Food Science & Psychology	1	5	1		1	3					11
Others	2	8	1	1	1	6	2	1	4	2	28
Grand Total	12	28	3	6	5	48	5	1	24	3	135

7.3 In-house Death Cover Scheme

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



7.4 Loans and Investments

Investment Structure	2021/2022		2022/2023	
	Rs	%	Rs	%
Loan Schemes	1,238,737,324	78	1,173,366,365	45%
Shares and Treasury Bills	719,826,517	11	1,251,236,494	48%
Foreign Investments	183,328,802	11	189,577,294	7%
	2,141,892,643		2,614,180,153	

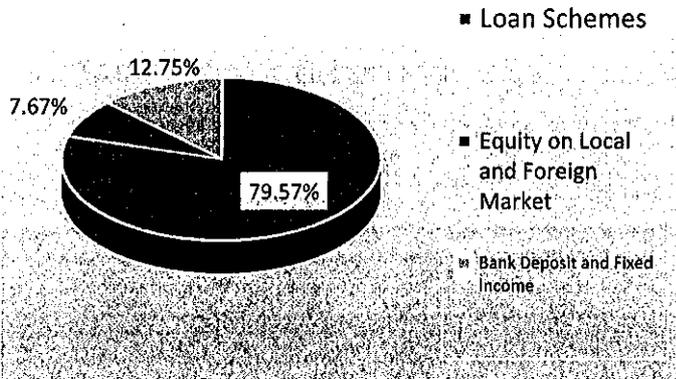
7.4.1 Return on Investments

As a result of implementation of the new investment policy, the return on investments during the year under review amounted to Rs81.6 million as shown in the table below:

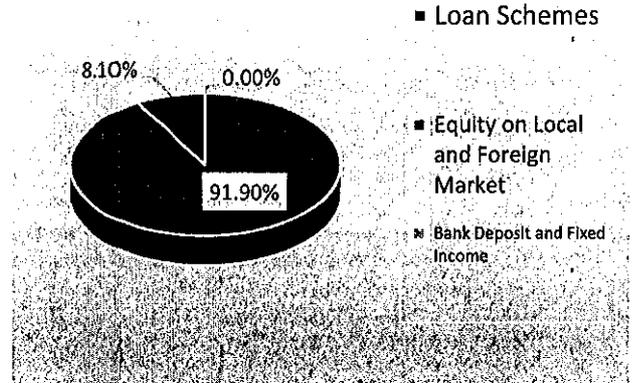
Instruments	2021/2022	2022/2023
	Rs	Rs
Loan Schemes	75,194,590	66,468,730
Equity on Local Market	6,629,176	6,407,211
Bank Deposit and Fixed Income Instrument	215	10,654,221
Total	81,823,981	83,530,162

7.4.2 Return per Instruments

Return per Instruments for year 2022/23



Return per Instruments for year 2021/22



7.5 Surplus & Net Worth

IPSAS

	2018/19 Restated	2019/20 Restated	2020/21 Restated	2021/22 Restated	2022/23
Net Surplus	78,912,683	100,542,632	57,462,357	65,254,580	31,133,966
Fund Value	2,683,369,300	2,806,784,025	2,919,822,283	2,954,231,558	2,995,071,905

8.0 Strategic Direction of the Fund

The strategic directions of the EWF have been formulated based on the mandate of the Organisation which has been clearly stipulated under the Clause 4 (Objects of the Fund) of the EWF Act of 1995 and which are as follows:

- 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; and
- 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.

Moreover, the strategic directions have also been crafted along the sustainability goals and objectives. EWF is very much conscious of its social responsibilities and is determined to fulfill its Environmental, Social, and Governance (ESG) responsibilities. Therefore, the long-term strategic objectives have been defined, as follows, 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.

Based on the above strategies, the EWF for the forthcoming 3 years, will continue to:

1. provide preferential terms and conditions under its various loan schemes. 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. The objective is to offer most competitive terms and conditions to members and to keep the interest rate at the lowest possible level.
2. consolidate EWF's position in providing educational loans since it is considered that EWF brings a vital contribution in promoting education in Mauritius through proper access to finance and at very competitive terms.

3. exercise due care while providing loans so as to ensure that our customers are not over indebted and go through financial distress.
4. 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.
5. 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.
6. Identify and invest in new avenues of welfare schemes and projects for welfare of our members and their families.
7. Implement a new model of hotel operation, which is expected to add value to the Fund.
8. Put in place investment strategies as defined in the Investment Policy Statement (IPS) to ensure an effective and efficient management of the financial resources of the Fund. Close monitoring of the performance of the investment portfolios being managed by investment managers.

EWF is looking forward to formulate a new corporate plan which will detail out the above strategic objectives together with metrics for its implementation and monitoring.

9.0 Corporate Governance Report

9.1 Compliance

Throughout the Financial Year ended June 2023, 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 for Mauritius 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 Chairperson appointed by the Minister after consultation with representatives of employers and employees;
- 3 representatives of Government;
- 3 representatives of Employees appointed by the Minister after consultation with the trade unions; and
- 3 representatives of Employers appointed by the Minister after consultation with Business Mauritius.

As stipulated in the EWF Act 1995, the Board meets at least once a month. Special Board Meetings are also held to discuss 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 Chairperson, the Board Members, the General Manager and the Board Secretary are spelt out. The role of the Chairperson is to lead the Board and that of the General Manager is to manage the organisation on a day-to-day basis.

9.2.2 Obligations of the Board

According to 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 organisation.

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

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

9.2.3 Role of Board Chairperson

The main functions of the Chairperson are:

- To fix the date of Board meetings, approve the Agenda of the meetings and approve Board Minutes for circularisation;
- 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 in the Board;
- 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 the general administration of the EWF;

- To be responsible for proposing and developing the Fund's strategy and overall objectives, which he does in close consultation with the Chairperson and the Board;
- To be responsible for the implementation of decisions of Board and its Committees;
- To be responsible for promoting, and conducting the affairs of the organisation with the highest standards of integrity, probity and corporate governance;
- To ensure that the development needs of the members and other management reporting to him are identified and met;
- To ensure that the staff gives necessary priority in providing accurate timely and clear information and input to the Chairperson and the Board; 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: -

- shall give all necessary assistance needed to the Chairperson and Board Members
- plans meetings and prepares agenda in consultation with the Chairperson and General Manager;
- gives impartial advice and support to the Board whenever required
- prepares and circulates Board papers;
- records the minutes of all Board meetings making sure that all actions are duly noted;
- drafts concise and accurate Board minutes to be sent to the Chairperson for vetting within 5 working days as from the day of the Board meeting;
- records all policies approved by the Board in the Fund's Policy Manual;
- maintains and monitors calendar of meetings and important dates for the Fund; and
- ensures that follow up actions are done based on decision taken by the Board.

9.2.6 Code of Ethics

The EWF commits itself to maintain in all its activities the highest standard of competence, integrity and ethical behavior by ensuring compliance to its Code of Ethics and The Ethics Policies and Procedures Manual. The Policies and Procedures outline the ethical principles and guidelines that the Board Members, Management and Employees have to follow at all times.

9.2.7 Ethics Policies and Procedures

The Ethics Policies and Procedures Manual covers 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 Chairperson may consider appropriate. The quorum shall be 5 Members including at least one representative each from the Government, Employers and Employees.

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

9.2.9 Board Meetings

The Board Secretary, in consultation with the Chairperson 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.

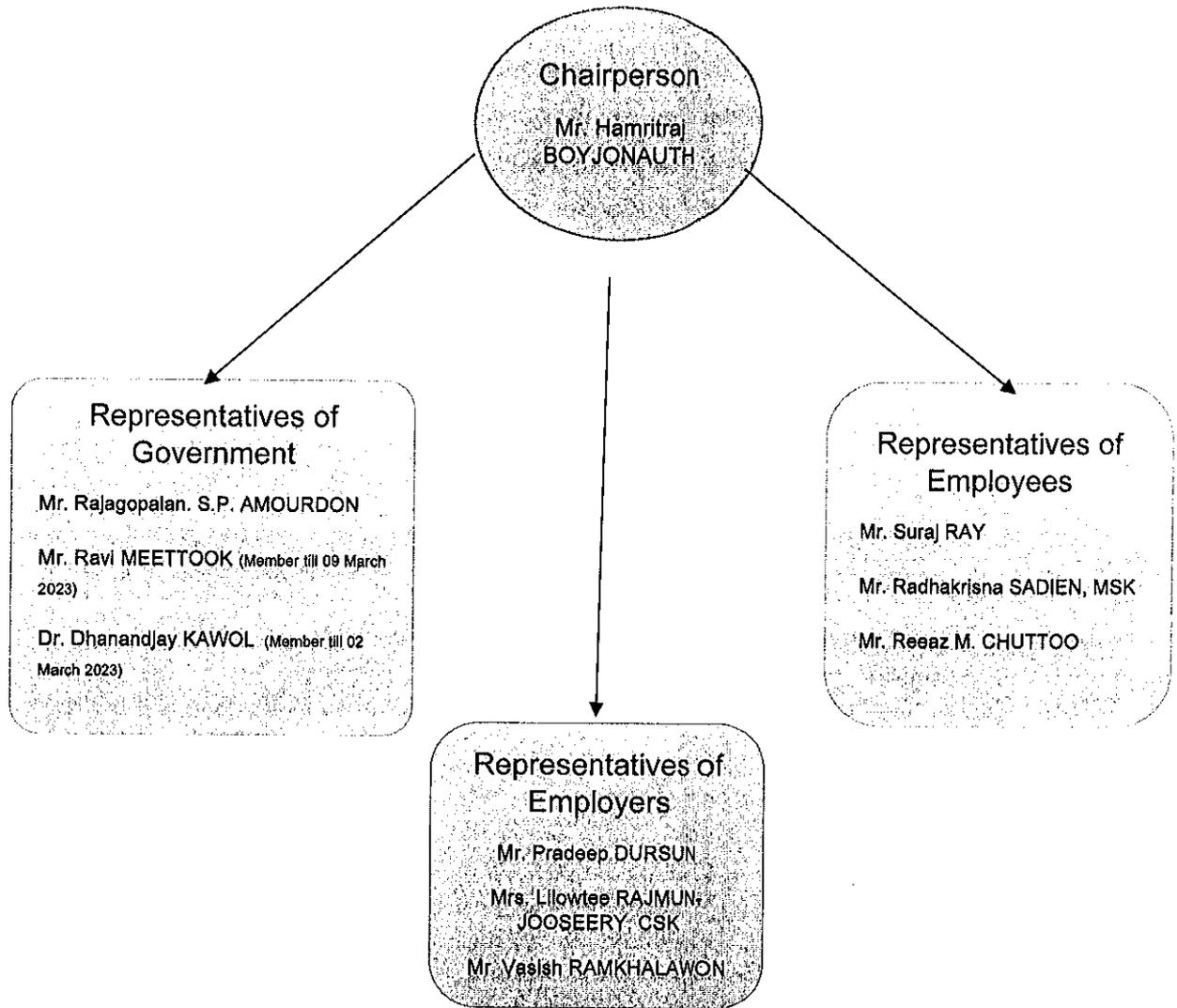
Board Members are expected to attend each Board meeting and every meeting of the Committees of which they are Members of, unless there are exceptional circumstances that prevent them from doing so.

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 2023, the Chairperson 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 Chairperson 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. 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.

Mr. Radhakrisna SADIEN, MSK

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

Mr. 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 Chairperson of the Mauritius Council of Social Service (MACOSS).

Dr. Dhanandjay KAWOL (Member till 02 March 2023)

Dr. D. Kawol is Senior Chief Executive at the Ministry of Local Government and Disaster Risk Management. He was the former 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 has been representing the Ministry on numerous Boards.

Mr. Ravi MEETTOOK (Member till 09 March 2023)

Mr. R. Meettook has been assigned the duties of Secretary for Home Affairs. Previously, he was Senior Chief Executive at the Ministry of Education, Tertiary Education, Science and Technology, and represented 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.

9.3.3 The 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 (vacant for the time being).

Mr. Ashok Nawaz - 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 was appointed as General Manager on 14 September 2023.

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,
- Special Committee (Ad Hoc) and
- Project Monitoring Committee

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 Reporting and Management, Investment Policy and Information Technology Strategy.

Terms of Reference

The main activities of the Committee are:

Financial Management:

- develop, prioritize and recommend long term financial objectives of the Fund, and propose measurable performance indicators accordingly in line with the EWF's Act 1995;
- review on an annual basis the Fund's financial objective; to ensure that policies and procedures relating to financial management are in compliance with applicable laws and regulations as well as assessing their ability in sustaining the Fund and the accomplishment of its stated mission and programs;
- ensure that appropriate plans and adequate systems are in place to achieve these objectives effectively, efficiently and economically;
- advise the Board on the financial procedures and standards where necessary; and 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 and recommend the annual Financial Statement of the Fund to the Board for approval;

Investment:

- review continuously or on a regular basis, after consultation with Fund Managers and Investment Advisors appointed by the EWF, the Fund's
- investment policy and advise the Board accordingly;
- local and foreign investment in the short, medium and long term;
- policies and procedures relating to investment in compliance with applicable laws and regulations;

Budget:

- ensure that budget tracking and reporting standards are in accordance with the policies approved by the Board;

- to review monthly budget to actual reports;
- 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;
- ensure the adequacy of proposed funding levels of programs and provision for reserves;
- report to the Board annually on budgetary objectives, including recommendations for revision as appropriate;

Loan Management:

- take note of the loan approval report for loan applications approved by the Loan Management Committee in compliance with policies, procedures and terms and conditions approved by the Board. All applications which depart from those policies, procedures, terms and conditions should be referred to Finance, Loans and IT Committee for its consideration;
- advise on policies and procedures for debtors monitoring and control;
- propose procedures and modalities to improve the processing of 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 loan schemes and In-House Loan Cover effectively, efficiently and economically;

Information Technology:

- formulate and recommend to the Board 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
- review 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

Chairperson - Mr. P. Dursun
Member - Mr. R.S.P. Amourdon
Member - Mr. S. Ray
Member - Mr. R. Sadien, MSK (as from 25 May 2023)

In attendance

General Manager
 Deputy General Manager
 Accountant (Secretary to the Committee)

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

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, employees' engagement, performance management, reward and recognition, employee relations, training, talent management, HR service delivery, and organisational productivity improvement).
- To advise the Board on the Fund's general policy on staff remuneration and conditions of service in line with 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 propose changes to the HR Action Plan (if any) and in the HR Budget.
- To review and make proposals regarding the HR Manual, HR Policies and Procedures.
- To advise the Board on recruitment and retention of staff .
- To examine and advise on any other relevant HR issues.

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 thrice each year.

Composition of the Committee

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

Chairperson - Mr. R. Sadien, MSK
 Member - Mr. R. Chuttoo
 Member - Mr. V. Ramkhalawon
 Member - Dr. D. Kawol (till 02 March 2023)

In attendance

- General Manager
- Administrative Manager
- Human Resource Management Officer (HRMO)
- Administrative Secretary (Secretary to the Committee)

At least 3 Members shall constitute a quorum.

The Board should ensure that the HR Committee has access to professional advice in order for it to perform its duties efficiently.

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.

Chairperson - Mr. S. Ray (as from 25 May 2023)
 - Dr. D. Kawol (till 02 March 2023)
 Member - Mrs. L. Rajmun-Jooseery, CSK
 Member - Mr. R. Sadien, MSK

Note: Mr. S. Ray was Member of the Committee till 24 May 2023.

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 Chairperson 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)

Chairperson - Mr. V. Ramkhalawon

Member - Mr. R. Chuttoo

Member - Dr. D. Kawol (till 02 March 2023)

Member - 2 Representatives from EGML

In attendance

The General Manager

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

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

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

Note: The Hotel Management Committee was dissolved in March 2023, and replaced by an ad hoc Committee (Special Committee). Please refer to Section VII.

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

Chairperson - Mr. R.S.P. Amourdon
 Member - Mr. R. Chuttoo
 Member - Mr. S. Ray

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.

Note: Mr. B. Mathurah was appointed as Resource Person/Member to Procurement Committee with effective date as from 01 November 2022.

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 Chairperson of all Sub Committees and one Representative from the Government

- Chairperson - Mrs. L. Rajmun-Jooseery, CSK
- Member - Mr. R.S.P. Amourdon
- Member - Mr. P. Dursun
- Member - Mr. V. Ramkhalawon
- Member - Mr. R. Sadien, MSK
- Member - Mr. S. Ray (as from 25 May 2023) in replacement of Dr. D. Kawol

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) Special Committee (SC) (Ad Hoc)

Objective

To examine requests received from the Hotel Operator from the pre-operational period up till the start of the operations and make relevant recommendations to the Board.

Terms of Reference

- To consider proposals received from the Hotel Operator with regards to the Hotel Upgrading, Operation & Management Agreement (HUOMA), and recommend to the Board whether same can be retained or not.
- To scrutinize proposals received for the Mauritian and CSR Plan, and make recommendations to the Board.
- To consider the findings of the due diligence report and recommend to the Board appropriate measures to be adopted including amendments (if any) to the HUOMA.
- To consider the findings and recommendations of the transaction adviser with regards to the transfer of ownership, and make relevant recommendations to the Board.

Composition

Chairperson - Mr. R.S.P. Amourdon
 Member - Mr. R. Chuttoo
 Member - Mr. S. Ray
 Member - Mr. V. Ramkhalawon

In attendance
 The General Manager
 The Project Manager
 Administrative Secretary (Secretary to the Committee)

Meetings

The Committee will meet as and when required up till the signature of the HUOMA.

viii) Project Monitoring Committee (PMC)

Objective of the Committee

To oversee all ongoing projects on a regular basis and advise the Board on all improvements/enhancement of capital nature in compliance with objectives of the Fund as per the EWF Act 1995.

Terms of Reference of the Committee

The role of the Committee would be to recommend and advise the EWF Board on:

- Pertinent issues pertaining to implementation of new projects and, also on-going projects;
- Any improvement to existing projects, especially improvements of capital nature; and
- Repairs and maintenance of on-going projects.

Meetings

The Committee would meet on a quarterly basis or earlier if the need arises

Composition

Chairperson - Mr. V. Ramkhalawon
 Member - Mr. R.S.P. Amourdon
 Member - Mr. S. Ray
 Member - Mr. R. Sadien, MSK

In attendance
 The General Manager
 The Project Manager
 Technical Officer (Welfare /Public Relations) (Secretary to the Committee)

9.3.6 Board Committees for Year 2022/2023

The table below shows the number of Board and Committees meetings held for the period 01 July 2022 to 30 June 2023:

BOARD/SUB COMMITTEE	NUMBER OF MEETINGS
Board*	11
Special Board (SB)	3
Finance, Loans And It Committee (FC)	12
Special Finance Committee (SFC)	1
HR Committee (HRC)	7
Special HR Committee (SHRC)	3
Hotel Management Committee (HMC)	1
Internal Hotel Management Committee (IHMC)	4
Procurement Committee (PC)	4
Special Procurement Committee (SPC)	2
Audit, Risk Management and Corporate Governance Committee (ARMCGC)*	3
Strategic Development and Monitoring Committee (SDMC)	1
Joint Strategic Development and Monitoring and Procurement Committee Meeting (SDMC-PC)	1
Special Committee (SC) (Ad-Hoc)	1
Project Monitoring Committee (PMC)	1

*Note: The Board Meeting of June 2023 was held on 04 July 2023 and the Audit, Risk Management and Corporate Governance Committee for the month of June 2023 was held on 06 July 2023.

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

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 organisation'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 2022 to 30 June 2023 in respect to the number of meetings held.

01 JULY 2022 - 30 JUNE 2023														
	BOARD		COMMITTEES											
	BOARD	SBM	FC	SFC	HRC	SHRC	PC	SPC	ARMCGC	SDMC	HMC	IHMC	SC	PMC
Mr. H. Boyjonthath	11/11	3/3	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mr. R. SIP Amourdon	11/11	2/3	12/12	1/1	N/A	N/A	4/4	2/2	N/A	1/1	N/A	N/A	1/1	1/1
Mr. R. Ghuffoo	7/11	2/3	N/A	N/A	7/7	2/3	4/4	2/2	N/A	N/A	0/1	3/4	0/1	N/A
Mr. R. Dursum	11/11	1/3	12/12	1/1	N/A	N/A	N/A	N/A	N/A	1/1	N/A	N/A	N/A	N/A
Mrs. L. Rajmun Jooseery, GSK	11/11	1/3	N/A	N/A	N/A	2/2	N/A	N/A	3/3	1/1	N/A	N/A	N/A	N/A
Mr. V. Ramkhalawon	8/11	3/3	N/A	N/A	6/7	1/1	N/A	N/A	N/A	0/1	1/1	4/4	1/1	1/1
Mr. S. Ray	4/11	2/3	11/12	1/1	N/A	N/A	1/4	0/2	1/3	N/A	N/A	N/A	1/1	1/1
Mr. R. Sadlan, MSK	11/11	3/3	1/1	N/A	7/7	3/3	N/A	N/A	3/3	1/1	N/A	N/A	N/A	1/1
Dr. D. Kawol	7/7	2/2	N/A	N/A	4/5	1/1	N/A	N/A	3/3	N/A	1/1	4/4	N/A	N/A
Mr. R. Meettook	7/8	2/2	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note: Dr D. Kawol's appointment came to terms on 02 March 2023. Mr. R. Meettook's appointment came to terms on 09 March 2023.

9.5 Principle 4: Director Duties, Remuneration and Performance

9.5.1 Related Party Transactions

Board Members immediately report to the Chairperson of the Board of any conflict of interest or potential conflict of interest, and provide all relevant information, including information concerning his or her spouse, registered partner or other life companion, foster child and relatives by blood or marriage up to the second degree. The concerned Board Member does not take part in any assessment by the Board 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:

- (i) The Board Members of the organisation, its parent organisation, affiliated or sister companies and associates.
- (ii) A parent organisation and any subsidiary or affiliated organisation that is not wholly owned.

- (iii) The General Manager, and key Officers, including anyone who directly reports to the Board or the General Manager.
- (iv) The father, mother, sons, daughters, husband, or wife of any of the natural persons listed in Sections (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 sections (i) to (iv) 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 sections (i) to (v).

9.5.2 Board evaluation and development

9.5.3 Board Evaluation

Discussion is underway with regards to the implementation of Board Evaluation.

9.5.4 Board Members' Remuneration

As per the EWF Act 1995, the Board Members' remuneration is decided by the Ministry of Finance, Economic Planning and Development for the meetings and function at the Fund. For the period under review, the Board Chairperson has been paid an all-inclusive monthly fee of Rs50,000.00 and the Board Members, an all-inclusive monthly fee of Rs20,000.00.

For the 12 months period ended 30 June 2023, the Chairperson and Members earned Board fees of a total of Rs 2,600,000.00 (Please refer to Table below for detailed fees).

MEMBER	BOARD FEES
Mr. R.S.P Amourdon	240,000.00
Mr. H. Boyjonauth	600,000.00
Mr. R. Chuttoo	240,000.00
Mr. P. Dursun	240,000.00
Dr. D. Kawol	160,000.00
Mr. R. Meettook	160,000.00
Mrs. L. Rajmun-Jooseery, CSK	240,000.00
Mr. V. Ramkhalawon	240,000.00
Mr. S. Ray	240,000.00
Mr. R. Sadien, MSK	240,000.00
TOTAL	2,600,000.00

Note: Rs 12,500.00 was earned by Mr. B. Mathurah as fees to Resource Person/Member to Procurement Committee.

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 and fixed income instruments. 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, it is bound to face foreign exchange risk if there is significant change in the exchange rates from USD and UK pound sterling to the Mauritian rupee in case of unforeseen political and economic events, 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 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. The Committee comprises of Members from Management, operational supervisors, the Internal Auditor and a Representative from the Independent Commission Against Corruption (ICAC). Two Corruption Risk Assessments exercise were conducted for the Procurement and HR sections and was submitted to the Ministry of Finance, Economic Planning and Development during the financial year.

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.

The following documents are published on the Fund's website:

- Annual Report;
- National Audit Report;
- Terms of Reference of Board Committees;
- Customer Charter;
- Code of Ethics;
- Corporate Plan;
- Anti-Corruption Policy; and
- Composition of EWF Board.

• **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 number of online loan applications received has increased by 86% 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**

Schemes for welfare of employees:

In line with the welfare objective of the Fund, Schemes such as the Financial Assistance Scheme (FAS) are provided in view of assisting employees and their families who are victims of fire occurrence incident and accidents on sites of work causing death.

Staff Welfare:

During the Financial Year, a general medical screening for Staff was organised by EWF and carried out by the Non-Communicable Disease Unit of the Ministry of Health and Wellness. In addition, a vision screening was also conducted.

• **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 4 times for the Financial Year 2022-2023.

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 Audit function is manned by one Internal Auditor who is assisted by one Clerical/Higher Clerical Officer. Discussions are underway to enforce the Internal Audit team through the implementation of the new post proposed by PRB 2021. The Internal Auditor reports functionally to the Audit, Risk Management and Corporate Governance Committee (ARMCGC) and administratively to the General Manager.

Working sessions are regularly held between the Internal Auditor and the Chairperson of the ARMCGC to discuss on audit matters,

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 Chairperson of ARMCGC; the Board obtains reasonable assurance on the adequacy and effectiveness of the Fund internal control and risk management.

9.9 Principle 8: Relations with Shareholders and Other Key Stakeholders

EWF is a Statutory Body set up by an act of Parliament and is controlled by a Board appointed under Section 5 of the EWF Act 1995. The Fund is accountable to the Government of Mauritius.

Other key stakeholders include the following:

- EWF employees
- Suppliers /Contractors

- EWF/NSF Members
- Financial institutions
- Business Mauritius
- Employees' Federations

9.10 Other disclosures

A. EWF Hospitality Ltd

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 Board approval, the process of the Company to be removed from the Register of Companies was initiated. The Company was removed from the register of companies under Section 308 of the Companies Act 2001 on 09 June 2023.

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

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

10.0 Directors' Responsibility Statement

(a) Financial Statements

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

The Board confirms that, in preparing 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

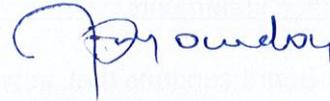
Through the Audit, Risk Management and Corporate Governance Committee, it is ensured that the Board is made fully aware of the various issues and risks affecting the Fund operating activities. The Board is responsible for taking appropriate action to mitigate these risks using measures, policies and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

(e) Donations

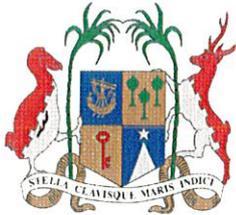
The Fund did not make any donations in this financial year.



Chairperson
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

Opinion

I have audited the financial statements of the Employees' Welfare Fund set out at pages 68 to 97 of the annual report, which comprise the statement of financial position as at 30 June 2023 and the statement of financial performance, statement of changes in net assets/equity, statement of cash flow and statement of comparison of annual estimates and actual amounts for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Employees' Welfare Fund as at 30 June 2023, and of its financial performance and cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSASs).

Basis for Opinion

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

Key Audit Matters

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

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 of overseeing the Employees' Welfare Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISSAIs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Employees' Welfare Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Employees' Welfare Fund's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Employees' Welfare Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and 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:

- (a) the Employees' Welfare Fund has complied with the Statutory Bodies (Accounts and Audit) Act; and
- (b) no direction relating to the accounts has been issued by the responsible Minister to the Employees' Welfare Fund.

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

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

Public Procurement Act

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.



DR D. PALIGADU
Director of Audit

National Audit Office
Level 14,
Air Mauritius Centre
PORT LOUIS

30 April 2024

Employees Welfare Fund
STATEMENT OF FINANCIAL POSITION
As at 30 June 2023



		2022 / 2023	Restated 2021 / 2022
	Notes	Rs	Rs
ASSETS			
Current assets			
Cash and Cash Equivalents	14	115,098,502	541,598,929
Receivables from Exchange Transactions	15	25,912,824	39,222,392
Loans and receivables	16	277,012,242	309,652,760
Held to maturity investments	16	1,014,514,774	516,744,343
Prepayments	17	2,521,169	2,322,912
		<u>1,435,059,511</u>	<u>1,409,541,336</u>
Non-current assets			
Loans and receivables	16	896,354,123	929,084,566
Held to maturity investments	16	47,250,000	-
Fair value through surplus and deficit investments	16	11,647,755	22,776,528
Available for sale securities	18	367,401,259	363,634,446
Infrastructure, plant and equipment	19	266,681,202	279,336,023
Intangible asset	20	69,000	103,500
Other non-current assets	21	1,300,001	1,300,001
Total non-current assets		<u>1,590,703,340</u>	<u>1,596,235,064</u>
Total assets		<u>3,025,762,851</u>	<u>3,005,776,400</u>
LIABILITIES			
Current liabilities			
Payables Under Exchange Transactions	22	16,118,709	12,925,183
Deferred revenue	23	36,434	167,663
Employee benefits obligation	24	284,314	287,144
Total current liabilities		<u>16,439,457</u>	<u>13,379,990</u>
Non-current liabilities			
Employee benefits obligation	24	14,251,489	38,164,852
Total non-current liabilities		<u>14,251,489</u>	<u>38,164,852</u>
Total liabilities		<u>30,690,946</u>	<u>51,544,842</u>
Net assets		<u>2,995,071,905</u>	<u>2,954,231,558</u>
NET ASSETS / EQUITY			
Capital and reserves			
General fund	25	2,768,628,385	2,737,436,895
Reserves	26	226,443,520	216,794,663
Total net assets / equity		<u>2,995,071,905</u>	<u>2,954,231,558</u>

Approved by Board on 25 April 2024



Chairman



Board Member

Employees Welfare Fund
STATEMENT OF FINANCIAL PERFORMANCE
For the year ended 30 June 2023



		2022 / 2023	Restated 2021 / 2022
	Notes	Rs	Rs
Revenue			
Revenue from exchange transactions			
Interests	27	66,468,730	75,194,590
Investment revenue	28	17,061,432	6,867,611
Other revenue	29	10,964,903	23,831,185
Total revenue from exchange transactions		94,495,065	105,893,386
Expenses			
Administrative expenses	30	20,640,077	13,896,078
Staff costs	31	22,652,022	21,799,133
Employee benefits expense	32	6,288,349	7,169,693
Depreciation and amortization expense	33	9,001,627	9,070,525
Provisions and write offs	34	37,099	1,500,000
Welfare activities expenses	35	203,413	-
Total expenses		58,822,587	53,435,429
Surplus from operating activities		35,672,478	52,457,957
Other gains / (Losses)			
Exchange differences on translating foreign operations	36	389,618	13,034,843
Gains/(Losses) on Fair Value through surplus and deficits investments	37	(422,967)	(238,220)
Gains/(Losses) on Disposal of Assets	39	(4,505,163)	-
Total gains/(losses)		(4,538,512)	12,796,623
Surplus for the year		31,133,966	65,254,580

The notes from Pages 73 to 97 form an integral part of the financial statements.

Employees Welfare Fund
STATEMENT OF CHANGES IN NET ASSETS/EQUITY
For the year ended 30 June 2023

EWFF

Notes	General fund	Reserves				Total
		Property Revaluation	Loan Cover Scheme	Employee Benefits Obligation	Investments	
	Rs	Rs	Rs	Rs	Rs	Rs
	2,716,757,978	93,075,174	73,047,953	-	147,866,178	313,989,305
24	-	-	-	(5,647,742)	-	(5,647,742)
25	1,888,000	-	-	-	-	(1,888,000)
37	-	-	-	-	(22,073,242)	(22,073,242)
38	-	-	4,270,341	-	-	4,270,341
38	-	-	(5,506,662)	-	-	(5,506,662)
	65,254,580	-	-	-	-	65,254,580
	(42,687,663)	-	-	-	-	(42,687,663)
	2,737,436,895	(68,237,337)	71,811,632	(5,647,742)	125,792,936	(68,237,337)
		24,837,837	71,811,632	(5,647,742)	125,792,936	216,794,663
	2,737,436,895	24,837,837	71,811,632	(5,647,742)	125,792,936	2,954,231,558
24	-	-	-	(3,451,614)	-	(3,451,614)
25	57,524	-	-	-	-	57,524
37	-	-	-	-	10,248,427	10,248,427
38	-	-	5,658,767	-	-	5,658,767
38	-	-	(2,806,723)	-	-	(2,806,723)
	31,133,966	-	-	-	-	31,133,966
	2,768,628,385	24,837,837	74,663,676	(9,098,356)	136,041,363	296,443,520
		24,837,837	74,663,676	(9,098,356)	136,041,363	2,996,071,905

Employees Welfare Fund
STATEMENT OF CASH FLOW
For the year ended 30 June 2023



	2022 / 2023	2021 / 2022
	Rs	Rs
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	31,133,966	65,254,580
Non-cash movements		
Depreciation	9,001,627	9,070,525
Provisions and Write offs	37,099	1,500,000
Employee benefits expense	1,948,872	3,330,699
(Gain)/ Loss on FVPL investment	(6,317,188)	(2,197,650)
Increase/(decrease) in Accrual in other income	(5,069,363)	(6,052,852)
Fair value adjustment on financial assets	422,967	-
Exchange (gain)/loss	(654,154)	(12,404,176)
Gain/Loss on Disposal of Asset	4,982,663	-
Adjustment for interest accrued	(194,829)	(447,288)
Other receivables decrease(increase)	13,111,311	(7,061,030)
Other payables (decrease)increase	111,613	5,074,312
Net non-cash movements	17,545,462	(9,187,460)
Operating Activities		
Loans repaid	319,958,625	394,290,907
Loans refunded (overpayment)	2,640,535	(2,530,862)
Loans disbursed	(257,115,000)	(193,837,678)
In-house loan cover	2,852,044	4,270,340
Employee Benefits	(29,316,678)	(1,283,855)
	39,019,526	200,908,852
Net cash flows from operating activities	87,698,954	256,975,972
CASH FLOWS FROM INVESTING ACTIVITIES		
Infrastructure, Plant and equipment	3,687,694	(10,268,460)
Treasury Bills	(517,887,075)	(513,038,696)
Net cash flows from investing activities	(514,199,381)	(528,445,156)
Net (decrease)/ increase in cash and cash equivalents	(426,500,427)	(271,469,184)
Cash and cash equivalents at 1 July 2022	541,598,929	813,068,113
Cash and cash equivalents at 30 June 2023	115,098,502	541,598,929
	(426,500,427)	(271,469,184)

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:

	2022 / 2023	2021 / 2022
	Rs	Rs
Cash in hand and balances with banks	115,098,502	541,598,929
	115,098,502	541,598,929

The entity has no undrawn borrowing facilities

(b) Infrastructure, plant and equipment (IPE)

During the period, cash flow for acquisition/disposal of IPE was for an aggregate cost of Rs3,687,694/-.

Employees Welfare Fund

STATEMENT OF COMPARISON OF ANNUAL ESTIMATES AND ACTUAL AMOUNT For the year ended 30 June 2023



	Original Budget 2022/2023	Revised Budget 2022/2023	Actual 2022/2023	Difference In Revised Budget and Actual 2022/2023	Reason for variance
	Rs	Rs	Rs	Rs	Notes
REVENUE					
Interest income	71,073,947	71,073,947	71,340,654	266,707	(i)
Investment income	7,469,000	7,469,000	9,731,823	2,262,823	(ii)
Other income	22,429,043	22,429,043	20,449,558	(1,979,485)	(iii)
Total Revenue	100,971,990	100,971,990	101,522,036	550,045	
EXPENDITURE					
Staff costs	(32,885,662)	(32,935,662)	(29,163,906)	3,771,756	(iv)
Fees to board members	(2,864,220)	(2,864,220)	(2,454,500)	409,720	(v)
Electricity and telephone	(1,239,620)	(1,239,620)	(976,050)	263,570	(vi)
Legal and professional fees	(2,215,350)	(2,215,350)	(672,813)	1,542,537	(vii)
Repairs and insurance office and other property	(1,505,458)	(1,505,458)	(1,373,900)	131,558	(viii)
Training and seminars	(368,000)	(318,000)	(12,000)	306,000	(ix)
Other administrative expenses	(21,294,451)	(21,294,451)	(19,507,110)	1,787,341	(x)
Total expenditure	(62,372,761)	(62,372,761)	(64,160,279)	8,212,482	
Surplus	38,599,229	38,599,229	47,361,756	8,762,527	
CAPITAL EXPENDITURE					
Capital expenditure	(245,955,819)	(272,345,819)	(17,460,866)	254,884,963	(xi)
Loan schemes	10,882,442	10,982,442	64,202,230	53,219,788	(xii)
Investment	(40,500,000)	(40,500,000)	(520,603,546)	(480,103,546)	(xiii)
	(275,473,377)	(301,863,377)	(473,862,182)	(171,998,805)	
Net Movement in Cash	(236,874,148)	(263,264,148)	(426,500,427)	(163,236,278)	

Notes

- (i) There has been a decrease in demand for loans due the impact of Covid-19 since year 2020 and government policy to provide free tertiary education, and reduction of interest income due to refinancing of EWF loans from other institution
- (ii) During the period 2022/23, given there has been a decrease in demand for loans, surplus cash were invested in securities.
- (iii) Due to Covid -19 pandemic, there was arrears in monthly fees due from the hotel operator for FY 20/21 & 21/22. The actual amount of rent received from Sealife Resort and Spa included arrears for previous years.
- (iv) Recruitment of some posts for the period earmarked took more time than expected.
- (v) Two Board Members (Representative of government) ceased to be member of EWF Board from March 2023
- (vi) Legal and profession fees earmarked for court cases not incurred in FY 22/23
- (ix) Some training/overseas missions and welfare activities could not be held and have been postponed.
- (x) Recurrent expenses for ICT related project, Awareness campaigns and visits to Rodrigues were not incurred during the current Financial year.
- (xi) Some of the projects initially earmarked for 2022/23 have been re-allocated as per revised targets and would be part of new corporate plan.
- (xii) Given the decrease in demand for loans and increase in early settlement, capital repaid was higher than loans disbursed during FY 22-23
- (xiii) 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 2023



1. CORPORATE INFORMATION

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

2. BASIS OF PREPARATION

The financial statements of the Employees Welfare Fund 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
IPSAS 43	-	Leases
IPSAS 44	-	Non Current Assets Held for Sale and Discontinued Operations
IPSAS 45	-	Property, Plant and Equipment
IPSAS 46	-	Measurement and Conceptual Framework Update
IPSAS 47	-	Revenue
IPSAS 48	-	Transfer Expenses

3. REPORTING PERIOD

The financial statements have been prepared for year ended 30 June 2023, which covers the period 1 July 2022 to 30 June 2023 with restated comparative information, applicable, for year ended 30 June 2022.

4. ACCOUNTING POLICIES

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

(a) Foreign currency translation

(i) Functional and presentation currency

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

Employees Welfare Fund

Notes to and forming part of the financial statements

For period ended 30 June 2023



(ii) Transactions and balances

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

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

(b) Infrastructure, plant and equipment

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

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

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

Depreciation

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

Buildings	2%
Plant and equipment	15 %
Electronic equipment	25 %
Furniture and fittings	10 %
<i>Sofa, bed and accessories</i>	20 %
Computer equipment	33 $\frac{1}{3}$ %
Motor vehicles	20%
Service concession assets	15 %

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

Employees Welfare Fund

Notes to and forming part of the financial statements
For period ended 30 June 2023



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

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

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

(c) Intangible assets

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

The annual depreciation rates used for the purpose is 25 %

(d) (i) Leasehold Land

The land at Calodyne, Grand Gaube is leased from Ministry of Housing and Land Use Planning and was valued at Rs 110,925,000 in 2017. So far, it had been accounted as Investment Property based on the assumption that the land would 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 and the existing lease was not renewed, instead an offer with new lease terms was received from the Ministry and accepted by the EWF. The new lease agreement for a period of 60 years was signed in October 2022. In line of the new lease agreement and government policy to account for the state lands in their financial statements, the leasehold land has been derecognised and our accounts were restated.

(ii) Buildings

Sealife Resorts and Spa (SRS) formerly known as Calodyne Sur Mer Hotel at Grand Gaube owned by the Fund was previously classified as Investment Property has now been treated as asset. The buildings are 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, the buildings are stated at fair value, which reflects market conditions at the reporting date. Buildings are derecognized when either they have been disposed of or when they are 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

Employees Welfare Fund

Notes to and forming part of the financial statements

For period ended 30 June 2023



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

Gains arising from changes in the fair values of buildings are included in the revaluation reserve 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. 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 buildings is the difference between sales proceeds and the carrying amount of the asset and is recognized in the Statement of Financial Performance.

During the period ended 30 June 2023, 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 2023 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 was 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 surplus and deficit or loans and receivables.

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(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 2023



(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 2023



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 2023



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 after the impairment loss was recognised in surplus and deficit, the impairment loss is reversed through the Statement of Financial Performance

Employees Welfare Fund

Notes to and forming part of the financial statements

For period ended 30 June 2023



(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 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 Rs1,552,413.

(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 20% up to March 2023 and 22% as from April 2023. 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 Rs1,650,324.

(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.

Employees Welfare Fund

Notes to and forming part of the financial statements
For period ended 30 June 2023



(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 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

Employees Welfare Fund

Notes to and forming part of the financial statements

For period ended 30 June 2023



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 2023



(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	15,881,117
Euro with Swan Forex	3,395,423

(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 2023



(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 2023



(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		2022/23	
	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	2022/23
	Rs	Rs
Neither Past Due nor impaired	1,157,060,373	1,102,199,536
Past Due but not impaired	82,158,843	70,910,834
Individually impaired	35,461,241	36,608,568
	-----	-----
Gross	1,274,680,457	1,209,718,938
Impairment allowance	(32,776,950)	(32,889,958)
	-----	-----
Total	1,241,903,507	1,176,828,980
	=====	=====

Employees Welfare Fund

Notes to and forming part of the financial statements
For period ended 30 June 2023

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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
30 June 2022											
Investment grade	-	-	-	10,433,842	-	-	-	-	10,750,000	-	21,183,842
Standard monitoring	41,024,318	19,265	4,529,500	917,356,450	77,215,121	6,293,420	11,601,682	13,822,434	62,316,300	1,698,041	1,135,876,531
Total	41,024,318	19,265	4,529,500	927,790,292	77,215,121	6,293,420	11,601,682	13,822,434	73,066,300	1,698,041	1,157,060,373
30 June 2023											
Investment grade	965,000	-	-	16,048,600	-	-	-	-	21,910,000	-	38,923,600
Standard monitoring	25,377,478	-	1,698,318	805,756,670	34,757,686	4,591,223	10,804,464	6,146,736	172,297,173	1,846,188	1,063,275,936
Total	26,342,478	-	1,698,318	821,805,270	34,757,686	4,591,223	10,804,464	6,146,736	194,207,173	1,846,188	1,102,199,536

Employees Welfare Fund

Notes to and forming part of the financial statements
For period ended 30 June 2023



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
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
30 June 2022											
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	2,056,162	-	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
30 June 2023											
Past due up to 1 Year	4,319,022	17,089	254,358	34,361,183	3,729,803	890,858	332,675	806,044	11,617,063	-	56,328,095
Past due 2 to 3 Years	-	4,798	88,173	4,544,156	789,518	-	-	60,471	-	-	5,487,116
Past due beyond 3 Years	78,228	-	-	8,982,364	35,029	-	-	-	-	-	9,095,621
	4,397,250	21,887	342,531	47,887,703	4,554,350	890,858	332,675	866,515	11,617,063	-	70,910,832

Employees Welfare Fund

Notes to and forming part of the financial statements

For period ended 30 June 2023



Impairment allowance for loans and receivables individually impaired

The individually impaired allowance to customers taking into consideration the cash flows from collateral held is Rs32,889,959 as at June 2023. (2021/22- Rs32,776,950)

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
	Rs	Rs	Rs	Rs	Rs	Rs	Rs
30 June 2022							
Impairment allowance	(4,077,294)	(27,971)	(604,855)	(19,217,879)	(8,419,473)	(429,478)	(32,776,950)
Release / Charge for the year	(1,041,801+)	19,727	(21,251)	706,335	285,430	(61,449)	(113,009)
30 June 2023							
Impairment allowance	(5,119,095)	(8,244)	(626,106)	(18,511,544)	(8,134,043)	(490,927)	(32,889,959)

Employees Welfare Fund

Notes to and forming part of the financial statements
For period ended 30 June 2023



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 2023, an amount of Rs2,806,723 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 2023, 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 2023



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

At the reporting date, the cumulative provision for bad debts was Rs3,000,000 made against the amount due from four 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 2023.

	2022/23	2021/22
	Rs	Rs
14 Cash and cash equivalents		
Cash at bank	114,998,493	541,590,490
Cash in hand	100,009	8,439
	<u>115,098,502</u>	<u>541,598,929</u>
15 Receivables from Exchange Transactions		
Interest receivable - overdue loan instalments	10,066,451	10,150,540
Interest receivable - PSSA examination fees	22	22
Interest receivable - bonds	324,918	-
Loan to staff	4,228,370	3,637,336
Deposit for Locker	25,000	25,000
DBM- Rodrigues Book Loan Scheme	2,500	2,500
NIT Loan Scheme	45,200	45,200
Net Receivable from Auctioneer	412,588	-
Debtors EX-CSM Operation	3,306,863	3,306,863
Fees receivable - Sealife Resort and Spa	10,500,913	25,054,931
Provision for bad debts - tour operators	(3,000,000)	(3,000,000)
	<u>25,912,824</u>	<u>39,222,392</u>

16 Financial assets

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

	2022/23	2022/23	2022/23	2021/22
	Rs	Rs	Rs	Rs
	CURRENT	NON-CURRENT	TOTAL	TOTAL
Investment securities at fair value through surplus or deficit	-	11,647,755	11,647,755	22,776,528
Held to maturity investment securities	1,014,514,774	47,250,000	1,061,764,774	516,744,343
Loans and receivables	277,012,242	896,354,123	1,173,366,365	1,238,737,326
	<u>1,291,527,016</u>	<u>955,251,878</u>	<u>2,246,778,894</u>	<u>1,778,258,197</u>
a Investment securities at fair value through surplus or deficit				
Local equity securities - Unquoted	-	11,647,755	11,647,755	12,628,204
Foreign investment securities	-	-	-	10,148,324
	-	<u>11,647,755</u>	<u>11,647,755</u>	<u>22,776,528</u>
b Held to maturity investment securities				
Government Treasury Bills	1,014,514,774	-	1,014,514,774	516,744,343
Corporate and Government Bonds	-	47,250,000	47,250,000	-
	<u>1,014,514,774</u>	<u>47,250,000</u>	<u>1,061,764,774</u>	<u>516,744,343</u>
c Loans and receivables				
Education loan scheme	193,126,363	699,137,041	892,263,404	1,010,043,881
MES exams fees loan	31,962	-	31,962	51,417
Welfare loan	30,224,715	16,271,190	46,495,905	92,171,813
Car loan	17,742,795	18,841,837	36,584,632	53,406,282
Motorcycle loan	2,181,318	418,457	2,599,775	6,177,537
Disability loan	1,711,070	3,771,012	5,482,082	7,056,509
Green Loan	5,107,042	2,346,571	7,453,613	16,857,431
Medical Loan	2,866,285	8,270,855	11,137,140	12,095,081
Multipurpose Loan	23,426,103	182,398,133	205,824,236	75,122,462
Other loans (PRB Car Loan Scheme)	594,589	1,251,599	1,846,188	1,698,042
	<u>277,012,242</u>	<u>932,706,695</u>	<u>1,209,718,937</u>	<u>1,274,680,455</u>
Loan Repayment Control	-	(2,101,901)	(2,101,901)	(1,729,557)
Provisions	-	(1,360,712)	(1,360,712)	(1,436,622)
Impairment allowance	-	(32,889,959)	(32,889,959)	(32,776,950)
	<u>277,012,242</u>	<u>896,354,123</u>	<u>1,173,366,365</u>	<u>1,238,737,326</u>

	2022/23	2021/22
	Rs	Rs
17 Prepayments		
Administrative expenses	2,521,169	2,322,912

	2022/23	2022/23	2022/23	2021/22
	Rs	Rs	Rs	Rs
	CURRENT	NON CURRENT	TOTAL	TOTAL
18 Investment in securities - Equity method				
Local equity securities - Listed	-	174,164,615	174,164,615	134,463,987
- Unquoted	-	3,659,350	3,659,350	55,989,982
Foreign investment securities	-	189,577,294	189,577,294	173,180,477
	-	<u>367,401,259</u>	<u>367,401,259</u>	<u>363,634,446</u>

	2022/23 Rs	2021/22 Rs
22 Payables Under Exchange Transactions		
Creditors	979,273	925,183
Other Payables - Deposit - Sealife Resort and Spa	12,000,000	12,000,000
Other Payables - Investment instruments	3,139,436	-
	16,118,709	12,925,183
23 Deferred income		
Deferred revenue	36,434	167,663

	Current Liabilities	Non Current Liabilities	TOTAL	TOTAL
24 Employee benefits obligation				
Bank sick leave	284,314	5,920,893	6,205,207	5,807,841
Sick Leave for year 2020	-	460,671	460,671	460,671
Provision for retirement benefits	-	638,338	638,338	25,395,133
Provision for passage credits	-	1,642,010	1,642,010	1,416,721
Bank vacation leave	-	5,589,577	5,589,577	5,371,630
	284,314	14,251,489	14,535,803	38,451,996

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 Rs12,255,475 has been made for the estimated liability for bank sick leave and vacation leaves as at 30 June 2023.

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.

(i) Amounts recognised in the balance sheet

	2022/23 Rs	2021/22 Rs
Present value of funded obligation	51,242,533	44,828,203
Fair Value of plan assets	(50,604,195)	(19,433,070)
Liability recognised in the balance sheet at end of year	638,338	25,395,133

(ii) Amounts recognised in income statement

	Rs	Rs
Service Cost		
Current Service Cost	1,640,028	1,383,839
Employee contributions	(482,760)	(487,508)
Fund expenses	131,400	66,048
Net interest expense/revenue	560,487	1,080,855
P & L Charge	1,849,155	2,043,234
Remeasurement		
Liability (gain)/loss	3,963,719	4,585,764
Assets (gain)/loss	(512,105)	1,061,978
Net Assets/Equity (NAE)	3,451,614	5,647,742
Total	5,300,769	7,690,976

	2022/23 Rs	2021/22 Rs
(iii) Movements in liability recognised in balance sheet		
At start of year : 1st July	25,395,133	23,800,306
Amount recognised in P& L	1,849,155	2,043,234
(Past Service liability contribution)	(28,890,000)	(5,000,000)
(Contributions paid by employer)	(1,167,564)	(1,096,149)
Amount recognised in NAE	3,451,614	5,647,742
At end of year : 30 June	638,338	25,395,133

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

Discount rate	6.07%	5.50%
Future salary increases	4.50%	3.50%
Future pension increases	3.50%	2.50%

Reconciliation of the present value of defined benefit obligation

	Rs	Rs
Present value of obligation at start of period	44,828,203	39,056,967
Current service cost	1,640,028	1,383,839
Interest cost	2,421,258	1,952,848
(Benefits paid)	(1,610,675)	(2,151,215)
Liability(gain)/loss	3,963,719	4,585,764
Present value of obligation at end of period	51,242,533	44,828,203

Reconciliation of fair value of plan assets

Fair value of plan assets at start of period	19,433,070	15,256,661
Expected return on plan assets	1,860,771	871,993
Employer contributions	1,167,564	1,096,149
Employee contributions	482,760	487,508
Actuarial reserves transferred in		
Past service liability contribution	28,890,000	5,000,000
(Benefits paid+other outgo)	(1,742,075)	(2,217,263)
Asset gain/(loss)	512,105	(1,061,978)
Fair value of plan assets at end of period	50,604,195	19,433,070

Distribution of plan assets at end of period

Percentage of assets at end of year		
Government securities and cash	53.90%	58.00%
Loans	2.80%	2.90%
Local equities	14.00%	13.60%
Overseas bonds and equities	28.80%	25.00%
Property	0.50%	0.50%
Debenture stocks		
Total	100%	100%

Additional disclosure on assets issued or used by the reporting entity

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

	2022/23	2021/22
	Rs	Rs
	Jun-23	Jun-22
	Rs	Rs
Components of the amount recognised in NAE		
Year		
Currency		
Asset experience gain/(loss) during the period	512,105	(1,061,978)
Liability experience gain/(loss) during the period	(3,963,719)	(4,585,764)
	<u>(3,451,614)</u>	<u>(5,647,742)</u>
Year 2022/2023		
Expected employer contributions - Rs 1,375,187		
Weighted average duration of the defined benefit obligation	18 years	18 years
25 Capital and reserves		
(a) General fund		
General fund as at 1 January	2,737,436,895	2,716,757,978
Movement in general fund	57,524	(1,888,000)
Surplus for the year	31,133,966	65,254,580
At 31 December	<u>2,768,628,385</u>	<u>2,780,124,558</u>
Prior Year Adjustments	-	(42,687,663)
At 31 December (Restated)	<u>2,768,628,385</u>	<u>2,737,436,895</u>
(b) Contributions		
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.		
(c) Investments		
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.		
(d) Lump sum paid		
During this financial year, there had been no request for refund of contributions payable to retired employees as per section 17 (2) of EWF's Act 1995.		
As at 30 June 2023, 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 might be a potential liability to refund those employees who have contributions and 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.		
26 Reserves		
Opening reserves	216,794,663	313,989,305
Prior Year Adjustment	-	(68,237,337)
Movement in Loan Cover Schemes	9,648,857	(28,957,305)
	<u>226,443,520</u>	<u>216,794,663</u>
27 Interest income		
Loan schemes	<u>66,468,730</u> ✓	<u>75,194,590</u>
28 Investment revenue (expense)		
Local equity	6,407,211	6,746,062
Fixed Income Instruments and Bank Accounts	10,654,221 ✓	121,549
	<u>17,061,432</u>	<u>6,867,611</u>

Employees Welfare Fund
Notes to and forming part of the financial statements
For the year ended 30 June 2023



	2022/23 Rs	2021/22 Rs
29 Other revenue		
Rental income from investment property	8,466,666	16,000,000
Administrative fees	2,126,406	1,872,683
Decrease in Provision - Arrears	-	355,759
Decrease in Provision - Impairment	-	5,462,743
Other Miscellaneous revenue	371,831	140,000
	<u>10,964,903</u>	<u>23,831,185</u>
30 Administrative expenses		
Fees to board members	2,612,500	2,740,000
Electricity and telephone	1,556,884	1,519,858
Repairs and maintenance	1,211,937	1,221,567
Legal and professional fees	667,900	403,029
Postage, stationary and I.T expenses	8,748,716	6,104,046
Insurance of office	53,723	45,382
Training, seminars and membership fees	66,000	3,500
Financial assistance	75,000	175,000
Rental Fees - Leasehold Land	2,773,358	-
Other administrative expenses	2,809,146	1,683,696
Professional Fees - Disposal of Asset	64,913	-
	<u>20,640,077</u>	<u>13,896,078</u>
31 Staff costs		
Salaries	20,751,385	20,236,551
Allowances and overtime	1,900,637	1,562,582
	<u>22,652,022</u>	<u>21,799,133</u>
32 Employees benefits expenses		
Pension contribution	3,814,286	3,337,386
Passage benefits	637,889	631,722
Provision for Retirement benefits and vacation leaves	1,310,983	2,698,977
Provision for sick leaves	525,191	501,608
	<u>6,288,349</u>	<u>7,169,693</u>
33 Depreciation and amortization expense		
Infrastructure, plant and equipment	8,967,127	8,971,337
Intangible Assets	34,500	99,188
	<u>9,001,627</u>	<u>9,070,525</u>
34 Provisions and write offs		
Provisions for credit losses - arrears	(75,910)	-
Impairment of loan	113,009	-
Provision for bad debts - rent	-	1,500,000
	<u>37,099</u>	<u>1,500,000</u>
35 Welfare activities		
Welfare activities expenses	203,413	-
	<u>203,413</u>	<u>-</u>
36 Exchange differences		
Gain / (Loss) on exchange on financial assets	389,618	13,034,843
	<u>389,618</u>	<u>13,034,843</u>
37 Gain / (Loss) in fair value of securities		
Gain / (Loss) in fair value of AFS securities	10,248,427	(22,073,242)
Gain / (Loss) in fair value of FVTSD securities	(422,967)	(238,220)
	<u>(422,967)</u>	<u>(238,220)</u>
38 In House Loan Cover Scheme		
Opening balance	71,811,632	73,047,953
Premium collected during the year	5,654,767	4,265,641
Premium collected during the year - staff loan	4,000	4,700
Loan written off	(2,806,723)	(5,506,662)
Closing balance	<u>74,663,676</u>	<u>71,811,632</u>

Employees Welfare Fund
Notes to and forming part of the financial statements
For the year ended 30 June 2023



	2022/23 Rs	2021/22 Rs
39 Gain/(Loss) on Disposal of Assets		
Gain / (Loss) on Disposal of Assets	(4,505,163)	-

40 Related party transactions

Entities and other parties related to the fund include those parties who have the ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include Board members and senior management personnel.

The fund is administered and managed by a Board, comprising of a Chairman appointed by the Minister of Finance, Economic Planning and Development, representatives of Government, employees and employers under the tripartite philosophy.

Key management personnel are those having the authority and responsibility of planning, directing and controlling the activities of the fund, directly and indirectly. Key management personnel consists of senior managers and board members.

(i) Outstanding Balance

Loan to key management personnel under EWF Loan Schemes	291,340	635,955
Loan to key management personnel under condition of service	1,168,516	1,652,677
	<u>1,459,856</u>	<u>2,288,632</u>

(ii) Compensation of Key management personnel

The remuneration of board members and senior managers during the year are as follows:

(a) Short term benefits	4,511,233	3,914,967
(b) Post employment benefits	2,545,333	2,360,298
(c) Board members fees	2,612,500	2,740,000
	<u>9,669,066</u>	<u>9,015,265</u>

41 Events Occurring after Reporting Date

There are no material event subsequent to the Statement of Financial Position date which are of such importance that they would require adjustments or disclosures in the financial statements.