



Employees Welfare Fund

ANNUAL REPORT

Financial year 2019-2020



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1.0 Corporate Profile

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

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

The objectives of the Fund are:

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



2.0 Mission Statement

Our Vision

To be the leading welfare institution for employees and their families

Our Mission

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

Our Values

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



3.0 Chairman's Message

It is my honor to be appointed as Chairman of the Employees Welfare Fund (EWF) since July 2020 to serve the Fund in the coming years. In my capacity of chairman, I am pleased to present the annual report 2019-2020.

The financial year 2019/2020 has been particularly an unfamiliar year as compared to the previous years. Mauritius and the world have witnessed an unprecedented health crisis - the COVID19 (coronavirus) pandemic which has caused and still causing severe impacts on the economic, social and, not to mention, on our health conditions.

The long-term outlook of the COVID-19 pandemic is still highly uncertain while businesses, individuals and families are nevertheless having to adapt to new and troubling challenges. The business paradigm is being changed rapidly and the EWF is condemned to adapt to these new exigencies.

The actual strategies of the fund are defined in the 3-years' Corporate plan 2016- 2019 which was presented in early 2016 and reached the end of its timeframe in June 2019.

As newly appointed Chairman, my top and urgent priority is to craft the roadmap of the Fund for the next 3 years. It is high time for the EWF, as a responsible organization to have a post Covid roadmap so as to respond to the rising expectation of the employees over the provision of quality welfare /wellbeing services, to be in line with government Policies and Sustainable development goals (SDGS).

The Corporate Plan 2021-2024 will surely reflect the new vision of the Board which will allow the Fund to adjust its priorities and activities to emerging and changing needs of members.

The very reason for the existence of the EWF is to develop welfare schemes as clearly spelt out in its Vision and Mission.

Welfare of citizens is embedded in the EWF Act and the Fund has to constantly demonstrate its Commitment to contribute to the economic development while improving the quality of life of the Workforce.

Two of the four main objectives of the Fund as defined in the EWF Act are to cater for the welfare of Employees and their families are



- To set up and operate schemes and projects for the welfare of employees and their families
- 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.

It is more than obvious and high time that Welfare Projects should be given more weightage in all future strategies of the Fund.

I will ensure that while crafting the new strategic plan, innovative, affordable and sustainable welfare projects will lead among all new projects. More resources (human and capital) will have to be devoted for the development of a proper welfare unit for the fund.

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

Also, in line with the principles of corporate governance, the Board Evaluation mechanism as introduced in 2016 will be revisited to evaluate and report on Board Performance.

To report on Sustainable Activities, Management will be given all necessary training and support to prepare Integrated Report (IR) using the Global Reporting Initiative (GRI) standards.

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

I seize the opportunity to thank all our stakeholders, +especially our parent Ministry for their continuous support. My special thanks to the Board members and all the EWF staff for their team spirit and dedication to accompany the Fund in its journey towards improvement and development for the benefit of all members of the Fund and their families. The success and sustainable growth of the Fund is attributable to their continuous hard work and support.



4.0 Acting General Manager's Report

It is with great pleasure and honor that, in my capacity as Acting General Manager, I am presenting the 25th Annual Report of the Employees Welfare Fund (EWF) for the 12 months period ended 30 June 2020 in compliance with International Public Sector Accounting Standards (IPSAS) as recommended by the Statutory Bodies (Accounts Audit) Act 1972 (amended).

The financial year 2019/2020 has been particularly an unfamiliar year as compared to previous years since the existence of EWF. The world has witnessed an unprecedented health crisis - the COVID19 (coronavirus) pandemic which has caused and still causing severe impacts on the economic, social and, not to mention, on our health conditions. Our thoughts remain with the communities and individuals, including healthcare workers and first responders, who are fighting against the virus.

The long-term outlook of the COVID-19 pandemic is still highly uncertain while businesses, individuals and families are nevertheless having to adapt to new and troubling challenges. The business paradigm is being changed rapidly with more reliance on internet connectivity and remote accesses. Work from home has inevitably been the solution for business continuity.

While collaborating in the fight against the Coronavirus and at the same time ensuring continued delivery of services during these difficult times, the EWF kept the health of its employees and that of its customer as first priority. Necessary sanitary measures and protocols were strictly applied as advised by health authorities. The EWF has ensured that there were minimum service disruption and started its full fledge service delivery as soon as partial lockdown was lifted during the month of May 2020.

In view of helping its members who had gone through difficult financial situations due to disruption in their work life, the EWF has put in place several schemes to reduce their burden. For instance, periods of moratorium are being extended to those loan customers who find themselves in financial troubles. Facilities to pay interest only for defined periods of time have also been provided. Moreover, flexible loan repayments facilities are being envisaged for those really in needs. Although the EWF does not fall under the purview of the Bank of Mauritius, it has put in place loan repayment relief schemes along the same lines as other commercial banks and financial institutions.



The EWF has also contributed to the COVID-19 Solidarity Fund set up by the Prime Minister's Office to the amount of Rs 500,000 and to the MV Wakashio - Prime Minister's Relief Fund – Special Bank Account amounting to Rs 500,000.

With the restrictions imposed on the arrivals of foreigners, the tourism sector has been particularly affected. The return from the Sealife Resort and Spa Hotel at Calodyne has been decreased as the hotel was closed as from March 2020 except during the month of April 2020 whereby the hotel was used for the purpose of quarantine and was jointly operated by the Ministry of Health and the Tourism Authority.

Working during and after the lockdown periods was a real challenge which the EWF staff has successfully met. I would like to seize this opportunity to thank the entire EWF staff for their dedication and collaboration during these difficult times, especially for working with members of public at our front office after the confinement period. We are also thankful to EWF Board of Directors for their collaborative approach and continued support.

5.0 Report on Performance

5.1 Financial Overview

In the context of Covid-19, the growth of the Fund during the financial year 2019/2020 was 1.6% as compared to 2.05% during the preceding financial year. This fall is mainly attributable to the negative impacts that COVID-19 had on the fair value of investments held by EWF as well as the decrease in interest from loan schemes and lower return from hotel at Calodyne.

Surplus for the period amounted to Rs78.9 million. The net worth of the Fund as at 30 June 2020 stood at Rs 2,840,149,987.

	2019/2020	2018/2019
Net Surplus (Rs)	75,202,607	78,912,683
Fund Value (Rs)	2,840,149,987	2,794,294,300



5.2 Operational Performance

Two of the main objects of EWF being:

- "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";

much emphasis has been put on loan schemes as well as welfare schemes and projects.

The summarized review which is presented below covers the various activities undertaken by the Fund during the year 2019/2020 in line with its objectives as per EWF Act 1995.

5.2.1 Loan Schemes

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

5.2.1.1 Education Loan Scheme

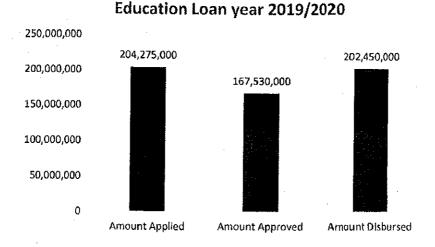
The Education Loan Scheme, introduced in 1995, remains one of the main activities of the Fund. With its low interest rate and administrative cost, it is also very competitive on the market.

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

For the period July 2019 to June 2020, we received 370 applications while only 323 was approved.



The chart below shows data for period ended 30 June 2020.



5.2.1.3 SC/HSC Exam Fees Loan Scheme

This loan scheme is no more attractive with the government policy to finance all candidates having their first attempt. For the last financial year, we received only two applications. While one client did not proceed further, only one application was approved and disbursed for an amount of only Rs11,122.

5.2.1.4 Employees Welfare Loan Scheme

The Employees Welfare Loan Scheme is similar to a multipurpose loan, introduced in 2010 to enhance the living standard and wellbeing of employees.

To be more competitive on the market, the interest rate was reviewed from 8% to 7 % in January 2020.

The chart below shows the number of applications applied and approved for the period ended 30 June 2020:

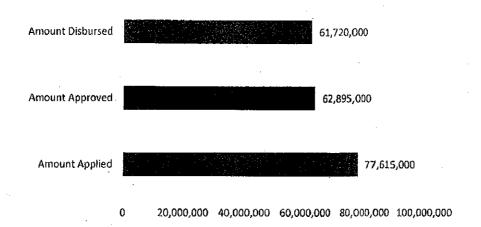
Welfare Loan



- No of applications Received
- No of applications Approved



Welfare Loan



The chart above indicates the loan amount applied, approved and disbursed for period ended 30 June 2020.

5.2.1.5 Employees Car Loan Scheme

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

Out of 72 applications received for car loan, 66 were approved.

Car Loan

Amount Disbursed				24,971,000	
Amount Approved		* - *	an discount	. 26,821,0	00
Amount Applied	ence etc.	en antique in agency. A	and Albert Prize.	30,8	357,000
	O	10 000 000	20.000.000	30.000.000	40.000.000

The chart above indicates the loan amount applied, approved and disbursed for period ended 30 June 2020.

5.2.1.6 Employees Motorcycle Loan Scheme

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



The table below shows the Loan data for the period ended 30 June 2020:

Motorcycle Loan Scheme			
Loans	2019/2020		
No of applications Received	72		
No of applications Approved	60		
Amount Applied	6,145,000		
Amount Approved	5,045,000		
Amount Disbursed	5,375,000		

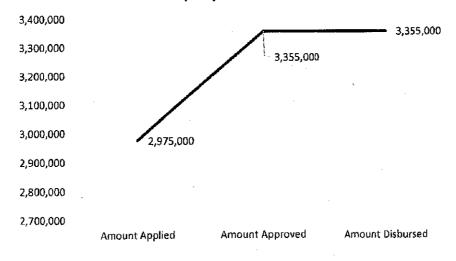
5.2.1.7 Loan for People with Disabilities Scheme

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

For period July 2019 to June 2020, we received 12 applications and 14 applications were approved, including 2 pending loans from previous period financial year.

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

Loan for people with disabilities

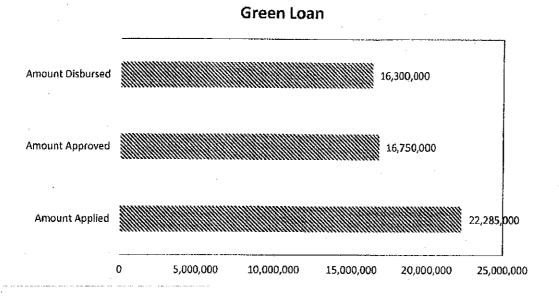




5.2.1.8 Green Loan Scheme

The green loan was introduced on the year 2017 to foster sustainable development and provide an impetus to small household projects to protect our environment. Out of 125 applications received for the financial year, 99 were approved.

The chart below shows the Loan data for the period ended 30 June 2020:

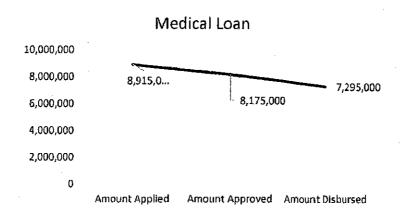


5.2.1.9 Medical Loan Scheme

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

For financial year 2019/2020, we received 36 applications out of which 34 were approved.

The chart below shows the Loan data for the period ended 30 June 2020:





5.3 Welfare Projects

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

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

5.3.1 Sealife Resort and Spa (Ex-Calodyne Sur Mer Hotel)

Recently renovated, the Sealife Resort and Spa, owned by the Employees Welfare Fund (EWF) started its activities in 2002 as Village des Vacances and is now a three-star+ hotel with 84 rooms promoting a unique holiday experience to its guests.

The Hotel is actually being operated by E. G. Management Ltd. and welcomes clients from around the world. Moreover, packages are offered to Mauritian clients and corporates. Some 1,800 Mauritians benefit from these packages yearly.

5.3.2 Sodnac Wellness Park

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

The following activities were held at the Sodnac Wellness Park for period 2019/2020:

SN	Date	Institution	Activity	Status
1	20-Aug-19	Patten College	SC Physical Education Examination	Completed
2	02-Jul-19	ABC Motors	Photoshoot for IOIG 2019 for Miss Noemie Alphonse (Mauritian Flag Bearer)	Completed
3	21-Sep-19	NGO ANPRAS	Cleaning Campaign on Park	Completed
4	21-Sep-19	I-Concept Team	Short Youtube Video on Sports Activities	Completed
5	16-Dec-19	Lycee Labourdonnais Curepipe	Orientation Race	Completed

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



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

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

EWF has, in July/August 2020, embellished the park with new signages on the services and facilities offered while promoting health and sports at the same time.

The EWF is continuously looking forward to improve the facilities offered and also explore avenues to add more facilities for users. To that effect, surveys are being carried out so as to gather feedback of users and work towards meeting their expectations in the future. The last survey was carried out in January 2020 and the study was conducted on a total of 115 users of which there were 71 males (61.7%) and 44 females (38.3%). The overall feedback was satisfactory.

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

5.3.3 St. Felix Recreational Park

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

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

The project consists of the following components:

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



> A wooden bridge with concrete base facilitating access to new jogging track from the parking area.

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

5.3.4 Welfare Schemes & Sponsorships

Moreover, Welfare Schemes such as the Financial Assistance Scheme (FAS) and Sponsorship for specific educational and health related activities have also been put into place. The FAS aims at assisting employees and their families who are victims of fire occurrence and death on site of work.

5.3.5 Financial Assistance Scheme

Eligible applications for financial assistance have been entertained during the year 2019/2020 as per below:

FIN	ANCIAL ASSISTANC	CE SCHEME			
	DESCRIPTION		DESCRIPTION		Rs.
YEAR	FIRE VICTIMS	DEATH ON SITE	1/9.		
July 2019- Dec 2019	6	1	175,000.00		
Jan 2019- June 2020	1	0	25,000.00		

5.3.6 Sponsorships

The Fund has sponsored the following activities:

- > Intergenerational Sports Day organized by Le Club le Flamboyant September 2019
- > Sponsoring the purchase of Library books for Swami Vivekananda State Secondary school September 2019
- International Day for Elderly People SOPA October 2019

5.3.7 Welfare Activity - Blood Donation

In view of addressing the shortage of blood availability at the blood bank, the EWF, as the main Public Organization in the provision of services promoting welfare of employees and their families, organized its fourth blood donation activity on 20 September 2019 whereby 215 volunteers expressed their wish to donate out of which 143 pints of blood were successfully collected.



5.3.8 PR Activities and Awareness Campaigns

The EWF PR Team participated in a list of activities as per the table below:

S/N	EVENT	MONTH
1	Training and Career Guidance Expo 2020 (Rodrigues 30th, 31st & 01st February)	Jan/Feb-20
2	IDP Multi Destination Fair 2020 (09th & 10th February)	Feb-20
3	The Mauritius International University & Career Expo (14th- 16th February)	Feb-20

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

- New Educational College- School Magazine July 2019
- ➤ Education and Career Magazine 2019 in Nov 2019
- Police Magazine 2019 December 2019
- Prison Magazine 2019 October 2019

EWF is also present on the social media circles with a total 2,587 followers.

5.4 HR Issues

5.4.1 Importance of our Human Capital

At the Employees Welfare Fund, we have always pursued efforts to attract and retain our staff. The year 2020 has been particularly an unusual year as compared to previous years. We have faced difficult situations due to the pandemic which has causes an impact on our lives at work as well as at home.

Navigating through the COVID-19 pandemic and its aftermath shall be one of the biggest challenges of our time. However, we strongly believe that our greatest asset remains our human capital and more so when we know that happy employees make happy clients. Indeed, team members employ their skills and resources, daily, to help us reach our goals. Retaining these skilled employees is therefore just as important as finding them. 13 Clerical Officers and 1 Administrative Secretary were recruited in 2019. Among these staff, we got 5 departures among the Clerical Officers. 8 Clerical Officers and 1 Administrative Secretary were confirmed in their post in 2020.

5.4.2 Performance Management System

EWF uses the Performance Management as a strategic management approach for monitoring how the business is performing. It has set the methodologies, metrics, processes and systems



which are used for monitoring and managing the performance of the organisation and its people.

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

5.4.3 Well-Being of employees

The provision of adequate welfare arrangements is important to keep the workforce happy. Catering for the well-being of our staff has been one of our priority during this year to help in keeping the morale and the motivation of the employee high and also to help in the retention of staff for longer duration. The employee welfare entails all those activities which are directed towards providing the staffs with the facilities and services in addition to wages or salaries. With a view to bring the staff together, the Staff Welfare Committee has organized different indoor and outdoor activities during the year 2019-2020.

The EWF also believes in the richness of our Mauritian culture and importance of sharing the cultural values among the staff. In this connection different cultural activities such as Chinese Spring Festival, Anniversary of the Independence Day, Divali and Christmas have been celebrated among the staff. Unfortunately, the Eid UI Fitr could not be celebrated due to the COVID – 19.

During the festive period in December 2019, the staff of the EWF were called to participate in a charity activity. The staff were very enthusiastic to participate in this activity and have generously contributed for the needy children of the Foyer Mgr-Leen.

5.4.4 Health and Safety

To continue in its mission to bring a health and safety culture within the organization, the EWF renewed the contract of the Health and Safety Consultant in 2020 who has put his expertise and experience to the benefits of the organization.

The Health and Safety Committee, comprising of the representatives of the management and of employees supported by the Consultant, has met on a regular basis and has been used as



a platform for discussion and implementation of good health and safety practices in order to maintain a very conducive and safe working environment.

There have been a number of external factors over 2020 that have driven our organizational priorities due to the COVID19 which was declared as a global health emergency. One of our top priority was to ensure the safety and health of our employees. We have prepared our workplace for COVID19 as per the circulars received from our Parent Ministry and the local authorities. The EWF has also stayed guided by recommendations received from the World Health Organisation in as far as maintaining sanitary precautions are concerned.

Some of the measures taken were as below:

- · A risk assessment was worked out
- Ensuring flow of communication with staff to keep them informed of safety measures put in place in the office
- A back to work protocol was prepared and sent to all staff were to be respected.
- · Getting the work place ready and safe for staff attending office
- The temperature of staff was taken at their arrival in office
- · Masks, Sanitizers were provided to staff
- Rosters and flexible hours for staff to minimize staff in office
- Regular general cleaning of workspace

5.4.5 In-House Loan Cover Scheme

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

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

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

The amount collected during 2019/2020 was Rs 6,997,724 and loans totaling Rs 2,237,402 have been set off. The In-house loan cover balance as at 30 June 2020 stood at Rs72,936,298.



The table below illustrates the In-house Loan Cover for the year ended June 2020.

	2019/20
Total No. of Clients	12,754
Premium Collected (Loan Schemes)	6,982,624
Premium Collected (Staff Loan)	15,100
Amount Written-off	2,237,402
Insurance Fund Value	72,936,298

5.4.6 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 2019/2020.

5.4.7 Investment Strategy

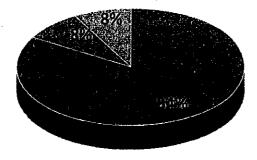
In line with the first objective of the Fund, that is,

"To manage the financial and other resources of the Fund.",

Prudent investment strategies have been adopted so as to strike a fair balance between risk and return. Around 84% of the investment was allocated to the different loan schemes during the year and the Fund investment strategies for the rest of 16% were as follows: -

- 8% Local Equity Markets
- 8% Foreign Investments

Investment Structure 2019/20



■ Loan Schemes
■ Shares
■ Foreign Investments



5.4.8 Comparative investment Structure

illi Maringan Shanding	2(0)(ESFA(5)		5(0)(631/405/0)	
	Rs	%	Rs	%
Loan Schemes	1,846,958,679	84%	1,686,217,758	84%
Shares	214,952,029	10%	169,003,116	8%
Foreign Investments	142,203,920	6%	162,964,153	8%
	2,204,114,628		2,018,185,027	

5.4.9 Return on Investments

As a result of the investment policy undertaken, the return on investments during the year under review amounted to Rs113.5 million as shown in the table below:

Instruments	2019/20
Loan Schemes	106,759,498
Foreign Investment Equity and Bonds	1,554,136
Equity on Local and Foreign Market	5,171,862
Bank Deposit	10,946
	113,496,442

5.5 Financial Highlights

5.5.1 Loan Schemes

Comparative Analysis of the number of applications received and amount of loans approved and disbursed for the year 2019/2020 were as follows:

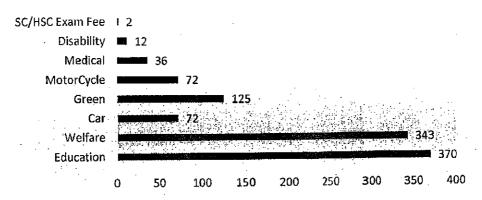
All Loans

Loans	2018/2019	2019/2020
No. of Applications Received	1628	1032
No. of Applications Approved	1597	886
Amount Approved (Rs)	537,659,562	290,582,122
Amount Disbursed (Rs)	526,142,362	321,477,122
Amount Repaid (Rs)	499,448,343	479,857,616
Net Investment (Rs)	26,694,019	158,380,494

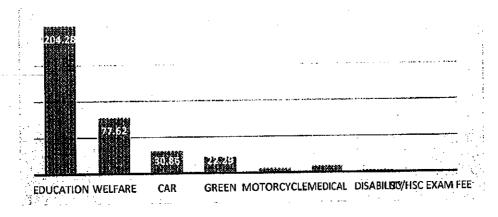
Loans for the year 2019/2020



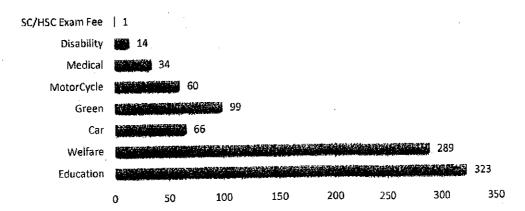
No of applications Received for the year 2019/2020





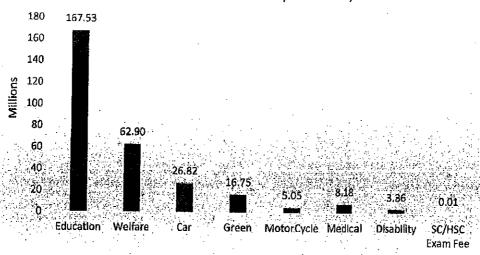


No of applications Approved for the year 2019/2020

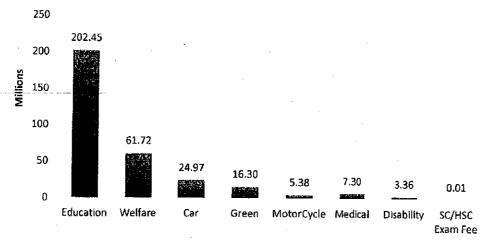




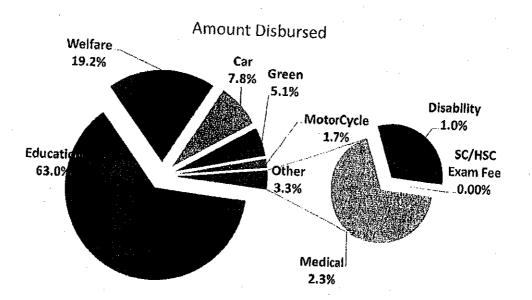
Amount Approved for the year 2019/2020



Amount Disbursed for the year 2019/2020

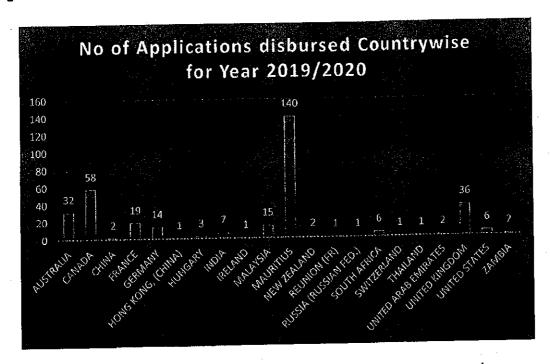








5.5.2 Analysis of the Field of Study and Countries with respect to Education Loans granted.





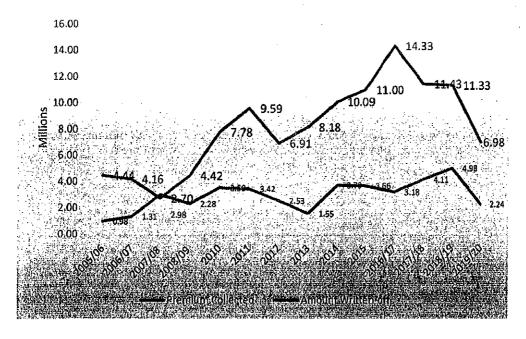
Field of Study and Countries for the year 2019/2020

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Grand Total	29	1	49	5	7	12	24	4	6	9	4	3	24	37	31	68	18	Ę	14	350



5.5.3 In-house Death Cover Scheme

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



5.5.4 Investments

Investments made were as follows:

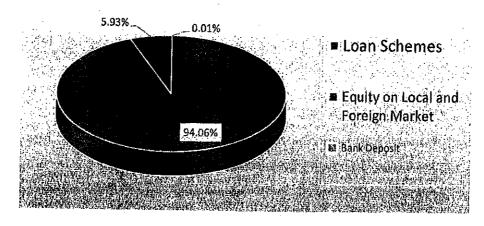
Investment Structure	2019/20				
	Rs	%			
Loan Schemes	1,685,618,738	84			
Shares	169,003,116	8			
Foreign Investments	162,964,153	8			
Total	2,017,586,007				

5.5.5 Return on Investments

Instruments	2019/20 (IPSAS)
Loan Schemes	106,759,498
Equity on Local and Foreign Market	6,725,998
Bank Deposit	10,946
Total	113,496,442



Return per Intruments for year 2019/20



5.5.6 Surplus & Net Worth

F			IPSAS				
	2014	2015	2016/2017	2017/2018	2018/2019	2019/2020	
Net Surplus (Rs)	76,943,782	70,542,026	124,389,979	63,022,825	78,912,683	75,202,607	
Fund Value (Rs)	2,454,141,126 .	2,481,169,943	2,657,651,363	2,739,263,326	2,794,294,300	2,840,149,987	



6.0 Strategic Direction of the Fund

For the last two decades or so, the EWF has been focusing on the realization of its successive corporate plans, and channelling its resources towards the implementation of strategies outlined therein in line with the promotion of welfare to employees and their families and ensuring a continuous growth of the Fund.

The previous Corporate Plan having reached its term in 2019, consultations and working sessions have continuously been held and is ongoing in view of developing the new Corporate Plan which will define EWF's strategies for the future.

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

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

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

- 1. provide preferential loan schemes as per object 4 (c) of the EWF's Act 1995. The Education Loan has been the main Loan Scheme and the scope has been broadened to include funding of seminars, capacity building workshops, technical and vocational courses and certificate award courses. Terms and conditions, eligibility criteria, repayment periods and loan amounts have all been reviewed to better serve members of the Fund. The scope for personal needs has also been widened with the replacement of the Welfare Loan by the new Multi-Purpose Loan.
- promote its welfare investment in projects and schemes to enhance the welfare of employees and their families. Welfare of citizens is embedded in the EWF Act and the Fund is constantly demonstrating its commitment to contribute to the economic development while improving the quality of life of the workforce.
- 3. Invest and upgrade in the Sodnac Wellness Park Project, the St. Felix Recreational Park and the Hotel at Calodyne now known as Sealife Resort & Spa.



4. to provide hotel services to its members. With similar objectives in mind as the Calodyne Hotel, as a strategic move, EWF is endeavouring to acquire the Ex-Pointe Venus Hotel in Rodrigues so as to provide affordable hotel facilities as recreation to Mauritian employees visiting Rodrigues. As part of its strategy, EWF has set up a Special Purpose Vehicle, namely the EWF Hospitality Ltd. in view of allowing this new entity to take over and run all hotel projects separately.

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

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



7.0 Corporate Governance Report

7.1 Compliance

Throughout the year ended June 2020, to 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 (Section: Guidance for Statutory Bodies).

7.2 Principle I: Governance Structure

According to Section 5 of the EWF Act 1991, the Fund is administered and managed by a Board. In line with tripartite philosophy, it consists of:

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

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

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

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



7.2.1 Board Charter

The Board Charter has been approved by the Board in March 2018 where the roles and responsibilities of the Chairman, the Board members and the General Manager and the Board Secretary are spelt out. The role of the Chairman is to lead the Board and the General Manager to manage the organisation on a day-to-day basis.

7.2.2 Obligations of the Board

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

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

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

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

7.2.3 Role of Board Chairman

The main functions of the Chairman are:

- > To fix the date of Board meetings, approve the Agenda of the meetings and vet and approve Board Minutes for circulation;
- > To run the Board and set its agenda, which should be forward looking and based on strategic matters;
- > To ensure that Board members receive accurate, timely and clear information;
- > To ensure effective communication;



- > To make sure enough time is allowed for discussion of complex or contentious issues;
- > To take the lead, using the Board Secretary as facilitator, in providing suitable induction for new members and in identifying and meeting the development needs of individual members.

7.2.4 Role of General Manager

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

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

7.2.5 Role of Board Secretary

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

The Board Secretary: -

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

7.2.6 Code of Ethics

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



The Policies and Procedures were introduced at the beginning of 2017 to support the Code of Ethics and to commit the organisation to the highest standards of ethical conduct. The Policies and Procedures provide guidelines to the Board Members and Employees to do the right thing and behave at high standard at all times. They also guide employees towards what is acceptable in the workplace.

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

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

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

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

7.2.8 Meetings of the Board and Conduct of Meetings

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

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

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

7.2.9 Board Meetings

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

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



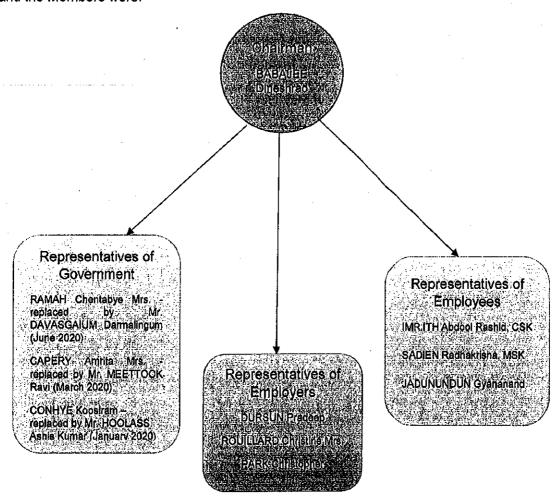
The methods through which the Board exercises its powers and discharges its responsibilities are set out in the Terms of Reference and the EWF Act 1995 governing the Fund which provides, amongst others, for the following:

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

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

7.3.1 Board Composition

For the year ended 30 June 2020, the Chairman of the Board was Mr. BABAJEE Dineshrao and the Members were:





7.3.2 Members' Profile

Mr. Hamritraj BOYJONAUTH (Atish) (Chairman as from 13 July 2020)

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

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

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

Mr. Pradeep DURSUN

Mr. Dursun is presently the Chief Operating Officer of Business Mauritius, and involved in the promotion of social dialogue with other social partners on the world of work issues. He is also engaged in policy making and advocacy.

Mr. Dursun is closely associated with several professional bodies and tertiary institutions, and represents Employers on several Boards and Committees.

Mr. Christopher PARK

Mr. Christopher Park joined the Terra Group of Companies as Group HR Manager since December 2013. He has been working in the HR Field for more than 12 years. Currently, Mr. Park is the Chairman of the HR Committee of the Fund.

Mrs. Christine ROUILLARD

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



Mr. Abdool Rashid IMRITH, CSK

Mr. Imrith has been President of the Government General Service Union (GGSU) since 1986. He has an extensive experience as Employees Representatives on different Boards including the Fund. He has been appointed as Commander of the order of the Star and Key of Indian Ocean (CSK) IN 2019.

Mr. Gyananand JADUNUNDUN

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

Mr. Radhakrisna SADIEN, MSK

Mr. Sadien has been a member of the Government Services Employees Association (GSEA) since 1979, and has been actively engaged in working for the rights of employees from different segments in the Public Sector. He has been appointed as Member of the order of the Star and Key of Indian Ocean (MSK).

Mrs. Chentabye RAMAH (June 2016-February 2020)

Mr.'s Chentabye Ramah joined the Ministry of Finance in March 1979 as Clerical Officer. She was appointed as Executive Officer in October 1992. In December 2001 Mrs. Ramah joined the grade of Assistant Secretary and was posted at the Ministry of Arts and Culture. Mrs. Ramah is the Deputy Permanent Secretary at the Ministry of Finance since May 2016.

Mr. Darmalingum DAVASGAIUM (June 2020 - till now)

Mr. Davasgaium joined the Public Service in November 2000 and has occupied various position in the service throughout different Ministries. Mr. Davasgaium was promoted to Assistant Permanent Secretary in December 2011 and has since been posted to the Ministry of Finance, Economic Planning and Development.

Mrs. Amrita CAPERY (August 2018- January 2020)

Mrs. Capery is Permanent Secretary at the Ministry of Education and Human Resources, Tertiary Education and Scientific Research. She has more than 45 years of service in the Public Sector. She represents the Government on the Fund's Board.

Mr. Ravi MEETTOOK (March 2020 - till now)

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



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

Mr. Koosiram CONHYE (August 2018-December 2019)

Mr. Conhye has joined the Public Service Sector since 1981. He is presently the Permanent Secretary at the Ministry of Social Security, National Solidarity and Environment and Sustainable Development. He is also part time lecturer at the University of Mauritius and the University of Technology.

Mr. Ashish Kumar HOOLASS (January 2020 till now)

Mr. Hoolass has been assigned duties of Permanent Secretary in substantive capacity since April 2012. He is currently Permanent Secretary at the Ministry of Social Integration, Social Security and Economic Empowerment. He has served as Permanent Secretary at various Ministries such as Ministry of Civil Service and Administrative Reforms and Ministry of Environment, Sustainable Development and Disaster and Beach Management among others

7.3.3 The Executive Management's profile

The Fund is set up by an Act of Parliament and managed by the Board as above. It is established outside the Central Government and is involved in commercial, economic, service oriented social activities requiring a large degree of autonomy and freedom from bureaucratic interference. Its affairs are subject to the scrutiny of Parliament and the parent Ministry. The daily operations of the Fund have been delegated to a General Manager who is the Chief Executive Officer and a Deputy General Manager.

Mr. Appalsamy Reddi Sitanna - General Manager (till 13 July 2020)

Mr. Sitanna is a Fellow Member of the Association of the Chartered Certified Accountant He was appointed as Manager/Accountant for the Employees Welfare Fund as from 2005 and promoted to the function of General Manager of the Fund as from December 2007. Mr. Sitana proceeded on retirement from service on ground of age on 13 July 2020.

Mr. Ashok Nawaz - Acting General Manager

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



Mr. Jayesingh Dahoo - Project Manager

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

7.3.4 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.

7.3.5 Committee Charters

Each Committee has its Terms of Reference which clearly articulate its responsibilities. Calendars of meetings are fixed in advance for 12 months at the beginning of each year. The Terms of Reference of all Committees are reviewed annually to ensure that they comply with best practices in the relevant areas. Attributes of all Committees have been clearly defined in line with the Code of Corporate Governance.

i) Finance Committee (FC)

Objectives of the Committee

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

Terms of Reference

The main activities of the Committee are to:

- propose financial objectives, priorities, outputs and performance indicators in line with the
 Fund's aims, policy and management objectives in accordance with the EWF's Act 1995;
- ensure that plans and adequate systems are in place to achieve these objectives effectively, efficiently and economically;
- advise the Board on the financial procedures of the Fund where necessary;
- ensure that there are clearly defined and transparent procedures for expenditure;
- monitor cash flows of the Fund on a monthly basis and advise on cash flow policies;
- examine the annual Financial Statement of the Fund and recommend its acceptance to the Board;



- review continuously the investment policy of the Fund and advise the Board accordingly after consultation with Fund Managers;
- review the local and foreign investment of the Fund in the short, medium and long term,
 after consulting the Fund Managers appointed by EWF;
- review the policies and procedures relating to investment and financial management, in compliance with applicable laws and regulations;
- ensure that budget tracking and reporting standards are in accordance with the policies approved by the Board;
- review the annual budget and make specific recommendations to the Board on its adoption, including, where desirable, comments on expense levels, revenue structures, fees and charges, adequacy of proposed funding levels of programs, and adequacy of provision for reserves;
- develop and recommend long range financial objectives of the Fund and undertake a
 review thereof on an annual basis with a view to assessing their ability in sustaining the
 Fund and the accomplishment of its stated mission and programs;
- report to the Board annually on such objectives, including recommendations for revision
 as appropriate;
- give covering approval for loan applications that comply with policies, procedures and terms and conditions approved by the Board. However, applications which depart from those policies, procedures and terms and conditions should be referred to the Board for its consideration;
- advise on policies and procedures for debtors monitoring and control;
- propose procedures and modalities to improve the processing of Education Loans with regards to the quantum of loan to be granted, its disbursement and recovery in line with the Fund's aims, policy and management objectives;
- ensure that adequate systems are in place to manage the education loans and In-House
 Death Cover effectively, efficiently and economically;
- formulate and recommend the Fund's Information Technology (IT) Strategy and ensure its alignment with the Fund's overall corporate strategy and objectives;
- develop, monitor and review the Fund's IT operating governance including its policies,
 guidelines and procedures; and
- reviewing and monitor the effectiveness of the IT Risk Management and Security plan of the Fund.

Meeting

The Committee will meet on a monthly basis except in specific circumstances.



Composition of the Committee

Chairman

- Mr. P. Dursun

Member

- Mrs C. Ramah (till March 2020)

Replaced by Mr. D. Davasgaium in June 2020

Member

- Mrs C. Rouillard

Member

- Mr. G. Jadunundun

In attendance:

General Manager

Deputy General Manager

Accountant

The Chairman and 2 members shall constitute a quorum for the holding of the meeting.

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

ii) Human Resource Committee (HRC)

Terms of Reference

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



To monitor the HR annual budget.

Meetings

The Committee will meet every 2 months except in specific circumstances.,

Composition of the Committee

Chairman:

- Mr. C. Park

Member:

- Mrs. A. Capery (till January 2020)

Replaced by Mr. A. K. Hoolass in June 2020

Member:

- Mr. R. Imrith CSK

Member:

- Mr. R. Sadien MSK

In attendance

General Manager

Technical Officer (HR)

Administrative Secretary (Secretary to the Committee)

At least 3 members shall constitute a quorum including either the Chairman and / or Deputy Chairman.

General

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

iii) 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.
- 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 will comprise of the Board Chairman, Chairman of all subcommittees and one representative from the Government

Chairman of the SDMC and of the Board - Mr. D. Babajee

Chairman of the HR Committee - Mr. C. Park

Chairman of the Finance Committee - Mr. P. Dursun

Chairman of the Procurement Committee - Mr. G. Jadunundun

Chairman of the Hotel Management Committee - Mr. R. Imrith CSK

Chairman of the Audit, Risk Management and Corporate Governance Committee – Mr. R. Sadien MSK

One representative from the Government

In attendance

Management team.

The Chairman and at least 3 members shall constitute a quorum.

iv) Audit, Risk Management and Corporate Governance Committee Terms of Reference

A. Corporate Governance

- To determine, agree and develop the EWF's general policy on corporate governance in accordance with the National Code of Corporate Governance for Mauritius 2016 (the Code);
- ii) To make recommendations to the Board on all corporate governance provisions to be adopted by EWF;



- iii) To ensure that the reporting requirements with regard to corporate governance are in accordance with the principles of the Code;
- iv) To examine and vet the Corporate Governance Report to be incorporated in the organisation's Annual Report;
- v) To ensure that disclosures are made in the Annual Report in compliance with the Disclosure Provisions' in the Code:
- vi) To advise on the implementation of the Report on Board Evaluation; and
- vii) To advise on the elaboration of a Directors' Development Plan, if required.

B. Audit and Risk Management

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

Timing of 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, of whom one member might be co-opted.

Chairman: - Mr. R. Sadien MSK

Member: - Mrs. A. Ramah (till February 2020)

Mr D. Davasgaium in June 2020

Member: - Mrs. A. Capery (till January 2020)



Member: - Mr. P. Dursun

Member: - Mr. C. Park (Co-opted)

In attendance

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

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

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

v) Hotel Management Committee (HMC)

Terms of Reference

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

Meetings

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



Composition

The composition of the Committee shall comprise of:

Four representatives of EWF (GM and 3 Board Members)

Two representatives of EGML

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

Composition

Chairman - Mr. R. Imrith CSK

Member: - Mr. K. Conhye (till December 2020)

Replaced by Mr. A. K Hoolass in January 2020

Member: - Mrs. C. Rouillard

2 Representatives from EGML

In attendance

The General Manager

The Project Manager who acts as Secretary to the Committee.

The Chairman of the Board may attend the meetings, if he so desires.

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

vi) Procurement Committee (PC)

Terms of Reference

- Formulate and ensure that proper procurement procedures and principles are followed for the procurement of goods, services and works;
- 2. Examine requests for the procurement of goods, services and works and decide on the procurement methods to be used in each case;
- 3. Vet bidding documents and notices;
- 4. Open bids received;
- 5. Examine and evaluate bids;
- 6. Set up bid evaluation committees, as may be required;
- 7. Oversee the examination and evaluation of bids and make proper recommendations to the Board for the award of tender/contract;



- 8. Review and make appropriate recommendations to the Board on applications received for variations, addenda or amendments to any on-going contracts;
- 9. Recommend, where appropriate, the implementation of measures to improve the operation of the annual procurement planning and process; and
- 10. Formulate appropriate policies relating to procurement.

Meetings

The Committee shall meet as and when needed.

Composition

Chairman - Mr. G. Jadunundun

Member: - Mrs. C. Ramah (till February 2020)

Replaced by Mr. D. Davasgaium in June 2020

Member: - Mr. K. Conhye (till January 2020)

Replaced by Mr. R. Sadien MSK in June 2020

Member: - Mr. Park

In attendance

The General Manager

The Project Manager who acts as Secretary to the Committee

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

vii) Anti-Corruption Committee (ACC)

Terms of Reference

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



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

Operation of the Anti-Corruption Committee

Chairmanship and Secretary

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

Composition of the Committee

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

Representatives of EWF

Mr. D. Babajee

Board Chairman and Chairman of the Committee

Mr. A. Nawaz

Acting General Manager

Mr. J. Dahoo

Project Manager

Mrs. A. Koothan

Technical Officer (Loans)

Miss S. Janally

Internal Auditor

Mrs. L. Nepal-Unuth Administrative Secretary and Secretary to Committee

Representatives of ICAC

Mrs. K. Seegolun

Chief Corruption Prevention Officer

Frequency of Meetings

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

Sub - Committees

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



Reporting

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

viii) Steering Committee (SC)

Objective of the Committee

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

Terms of Reference of the Committee

The main responsibilities of the Committee are:

- To brainstorm and agree on a business model which is appropriate for the Rodrigues' Hotel project, taking into consideration the objectives of the EWF.
- To work on an action plan and time frame for the post-acquisition activities including renovation processes.
- To oversee the planning and execution of the renovation program and ensuring that the time frame is maintained.
- To monitor the progress of work and take corrective measures so as to ensure timely execution of project.
- To recommend to the Board, and to review policies and procedures relating to implementation of projects and compliance with terms of contract.
- To provide regular progress reports and work-plans to the Board.
- To recommend to the Board the enlistment of a multidisciplinary team of professionals/specialists for the project

Meetings

It is intended that the Committee will meet as and when required up till the completion of project.

Composition

The Steering Committee is comprised mainly of the Chairman of the Board and Members of the Strategic Development and Monitoring Committee (and any other members the Board deems fit to)



Chairman of the Steering Committee and of the Board - Mr. D. Babajee

Chairman of the HR Committee - Mr. C. Park

Chairman of the Finance Committee - Mr. P. Dursun

Chairman of the Procurement Committee - Mr. G. Jadunundun

Chairman of the Hotel Management Committee - Mr. R. Imrith CSK

Chairman of the Audit, Risk Management and Corporate Governance Committee – Mr. R. Sadien MSK

In attendance

The General Manager

The Administrative Secretary and Secretary to the Committee

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

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

6.3.6 Board Committees for Year 2019/2020

The table below shows the number of Board and Committees meetings held for the period July 2019 to June 2020:

Committees	Meetings
Board	9
Special Board Meeting (SBM)	2
Finance Committee (FC)	10
HR Committee (HRC)	2
Hotel Management Committee (HMC)	5
Audit, Risk Management and Corporate Governance Committee (ARCG)	2
Procurement Committee (PC)/ Bid Evaluation Committee (BEC)	6
Anti-Corruption Committee (ACC)	2
Strategic Development and Monitoring Committee	_
(SDMC) Steering Committee	2

It is to be noted that, due to the COVID Pandemic, several Committees and Board Meetings had to be cancelled.



7.4 Principle 3: Directors' appointment Procedures

7.4.1 The EWF Act 1995

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

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

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

The Members of the Board shall hold office for a period of 2 years and shall be eligible for reappointment.

7.4.2 Induction and Directors' Development Programme

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

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

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

7.4.3 Attendance to Board and Sub Committees

The table below show the overall attendance of Members to Board and Board Committees for period July 2019 to June 2020 in respect to the number of meetings held.



7.5 Principle 4: Directors' duties, Remuneration and Performance

		0004	ODMO	FC	HRC	CC PC/BEC	MMITTEES ARCGC	SC	HMC	ACC
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7.5.1 Related Party Transactions

Board members immediately report to the Chairman of the Board 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 Board Member concerned does not take part in any assessment by the Board or proceeding of the Board wherever conflict of interest exists.

A potential conflict of interest exists if the organisation intends to enter into a transaction with a related party, and the organisation shall develop a policy on how to ensure that the rights of all stakeholders are protected during such transactions. A related party includes the following:



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

7.5.2 Board evaluation and development

i) Board Evaluation

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

ii) Board Members' Remuneration

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

For the 12 months period ended 30 June 2020, the Chairman and Members earned Board fees of a total of Rs2,260,000.

7.6 Principle 5: Risk Governance and Internal Control

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

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



Risk Management and Internal Control

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

The Audit, Risk Management and Corporate Governance Committee, define the risk management policies of the Fund with regard to the welfare projects, investments and loans and receivables. The Fund maintains a conservative approach to investment policy with most of its investments in listed local equities. With regard 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:

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 out receivables at interest rates which may fluctuate as a result of a change in the reportate and hence exposing it to interest rate risk;
- ✓ Foreign exchange risk The Fund invests in equity shares in companies incorporated in USA and UK which are denominated in these foreign countries currencies as well as having fixed deposits in USD. It will face foreign exchange risk if there is significant change in the exchange rates from USD and UK pound sterling to the Mauritian rupee.
- ✓ 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.

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

At the first line of defense, operational supervisors manage and own the risks. They are also responsible for implementing corrective actions to address process and control deficiencies. The Audit, Risk Management and Corporate Governance Committee serves as the second line of defense which facilitates and monitors the implementation of effective risk management



practices by operational management and assists risk owners in defining the target risk exposure and reporting adequate risk-related information.

The third line of defense is the internal audit function which provides an independent and objective assurance on the effectiveness of the risk management, internal control and governance processes. The Fund has its own Internal Auditor since April 2018 who performs regular review of the Fund's system, process, risk and control environment. The Internal Auditor reports functionally to the Audit, Risk and Corporate Governance Committee and administratively to the General Manager.

Whistie 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 EWF Anti-Corruption Policy. Training on corruption risks was provided to staff during the year.

7.7 Principle 6: Reporting with Integrity

Following the Board decision to adopt the Integrated Reporting and the Global Reporting Initiatives Standards, the services of an external consultant has been contracted to set the Integration of Reporting frameworks in place. The Consultant will support EWF to carry out its first Integrated Sustainability Report through the deployment of appropriate tools, methodologies and processes.

7.8 Principle 7: Audit

The internal audit provides an independent and objective assurance on the Fund risk management, internal control and governance processes. The Internal Auditor reports functionally to the Audit, Risk Management and Corporate Governance Committee ("ARMCG") and administratively to the General Manager. The Internal Auditor reports to the ARMCG on a quarterly basis without the presence of Management. As such, through audit reports, comment from management on matters reported and action taken, reporting from Chairman of ARMCG, the Board obtains reasonable assurance on the adequacy and effectiveness of the Fund internal control and risk management.

External audit is carried out by auditors of the National Audit Office as required by the Statutory Bodies (Accounts and Audit) Act.



7.9 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

7.9.1 Other disclosures

In March 2020, an investigation was conducted by the Internal Control Cadre (ICC) from the Ministry of Finance, Economic Planning and Development (MOFED) with a view of assisting the Head of Internal Control in ensuring that all measures recommended by the NAO, as per the Management Letter dated 14 January 2019, have already been or were being implemented.

In addition, a Qualified Audit Report for the 18 month-period ended 30 June 2017 was issued to EWF by the NAO in June 2020 since the Auditors could not ascertain the completeness and accuracy of the operating income of Sealife Resort & Spa (formerly known as Calodyne Sur Mer) of Rs 60,362,804 operated by EWF in the period under audit.

Following receipt of the ICC Report, the Board requested Management to submit detailed explanation reports. The service of the Office of the Public Sector Governance (OPSG) was also enlisted to review the Management Letter of the NAO and the report from the ICC so as to propose recommendations. It is to be noted that an investigation was initiated by the Central Criminal Investigation Department with regards to the findings of NAO and ICC.



8.0 Sustainability Report

The Employees Welfare Fund, as one of the leading institutions in the provision of specific welfare services to employees and their families, has continuously been contributing to the development of our economy in terms of welfare projects, schemes and activities.

Since 2013, sustainable use of resources has been a top priority for the EWF. The Fund has continuously been exploiting all possibilities to reduce, re-use and recycle.

Accordingly, the Fund has been endeavoring to save energy, avoid wastes and reduce carbon emissions. Controls on use of electricity, printing paper and toners have constantly been exerted. Moreover, with the implementation of the new IT-based Loan Management System (Flexcube), the Fund is targeting to become a paper-less office.

Furthermore, Health and Safety issues are rigorously being looked into so as to avoid health hazards and any sort of industrial injuries. Adequate opportunities for employee welfare are also being provided so as to ensure a safe, healthy and conducive office environment.



9.0 Directors' Responsibility Statement

(a) Financial Statements

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

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

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

(b) Going Concern Statement

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

(c) Internal Control

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

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

(d) Risk Management

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



(e) Donations

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

Chairman

Mr H. BOYJONAUTH

Dyamdon

Board Member

REPORT OF THE DIRECTOR OF AUDIT

On the Financial Statements of the Employees Welfare Fund for the year ended 30 June 2020

NATIONAL AUDIT OFFICE.



NATIONAL AUDIT OFFICE

REPORT OF THE DIRECTOR OF AUDIT

TO THE BOARD OF THE

EMPLOYEES WELFARE FUND

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of the Employees Welfare Fund set out on pages 66 to 96 in the annual report, which comprise the statement of financial position as at 30 June 2020 and the statement of financial performance, statement of changes in net assets/equity, statement of cash flow and statement of comparison of budget 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 2020, and of its financial performance and cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSASs).

Basis for Opinion

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

Key Audit Matters

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

Emphasis of Matter

I draw attention to Note 4 (d) to the financial statements, which mentions that Sealife Resorts and Spa owned by the Employees Welfare Fund is situated on land leased from the Ministry of Housing and Land Use Planning. The land valued at Rs 110.9 million in 2017 was accounted

as Investment Property in the financial statements on the assumption that the land will continue to be held by the Employees Welfare Fund on a perpetual basis until expressed otherwise by the Government.

My opinion is not modified in respect of this matter.

Other Information

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

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

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IPSASs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Employees Welfare Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management intends to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Employees Welfare Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Employees Welfare Fund's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Employees Welfare Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

(e) the provisions of Part V of the Public Procurement Act regarding the bidding process have been complied with.

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

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

Statutory Bodies (Accounts and Audit) Act

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

As far as it could be ascertained from my examination of the relevant records:

- (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 fairly and economically.

Other Matter

The financial statements for the financial year ended 30 June 2020 were received at my Office on 30 October 2020. Following audit, management was informed on 12 July 2021 of amendments to be made to the financial statements. The amended financial statements were submitted on 04 August 2021.

Public Procurement Act

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

Other Matter

Section 7(3) of the Statutory-Bodies (Accounts and Audit Act) stipulates that the auditor shall within six months of the date of receipt of annual report submit the annual report and his audit report to the Board.

This audit report is being issued after the six-months period due to constraints beyond the control of the National Audit Office caused by the COVID-19 pandemic in 2021 and which impacted on the audit process.

C. ROMOOAH
Director of Audit

National Audit Office Level 14, Air Mauritius Centre PORT LOUIS

13 August 2021

Employees Welfare Fund STATEMENT OF FINANCIAL POSITION As at 30 June 2020



		2019 / 2020	2018 / 2019
	Notes	Rs	Rs
ASSETS	•	Na .	110
Current ussets			
Cash and cash equivalents	14	428,211,600	260,410,442
Trade and other receivables	15	36,854,656	36,275,619
Loans and receivables	16	428,253,510	457,734,434
Held to Maturity investments	16	73,296,900	
	- -	966,616,666	754,420,495
Non-current assets	**	-	
Investment property	18	308,487,051	305,096,951
Loans and receivables	16	1,257,365,228	1,389,224,245
Fair value through surplus and deficit investments	16	25,368,136	25,361,398
Available for sale securities	19	306,599,134	331,113,104
Property, plant and equipment	20	87,472,931	89,769,131
Intängible asset	21	412,126	2,012,690
Other non-current assets	17	1,300,001	1,300,001
Total non-current assets		1,987,004,607	2,143,877,520
Total assets		2,953,621,273	2,898,298,015
LIABILITIES Current liabilities			
Trade and other payables	22	14,010,326	16,066,713
Deferred revenue	23	91,218	604,565
Employee benefits obligation	24	349,919	279,440
Total current liabilities		14,451,463	16,950,718
Non-current liabilities	_		,
Employee benefits obligation	24	26,083,525	18,877,021
In-house loan cover scheme	25	72,936,298	68,175,976
Total non-current liabilities		99,019,823	87,052,997
Total liabilities		113,471,286	104,003,715
Net assets		2,840,149,987	2,794,294,300
NET ASSETS / EQUITY			
Capital and reserves			
General fund	26	2,599,208,635	2,553,352,948
Reserves	27	240,941,352	240,941,352
Total net assets / equity	<u></u>	2,840,149,987	
some nes hoavis / cyrity		4,04U,14Y,Y8/	2,794,294,300

Approved by Board on .. 3.2.15... 2031....

Chairman

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Board Member

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Employees Welfare Fund STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 30 June 2020



··	-	2019 / 2020	2018 / 2019
	Notes	Rs	Rs
Revenue	-		
Interests	28	106,759,498	108,794,727
Investment revenue	29	5,898,126	6,293,287
Other revenue	30	26,531,740	31,016,707
Total revenue		139,189,364	146,104,721
Expenses			
Administrative expenses	31	16,249,945	18,911,639
Staff costs	32	21,809,467	21,059,650
Employee benefits expense	33	4,466,515	3,568,068
Depreciation	34	11,498,461	15,885,481
Provisions and write offs	35	10,167,388	7,564,904
Welfare activities expenses	36	159,605	239,817
Total expenses	· _	64,351,381	67,229,559
Surplus from operating activities	<u> </u>	74,837,983	78,875,162
Other gains / (Losses)			
Exchange differences on translating foreign operations	37 _	364,624	37,521
Total gains/(losses)	_	364,624	37,521
Sumpley Court	· •	<u> </u>	
Surplus for the year	_	75,202,607	78,912,683

The notes from Pages 71 to 96 form an integral part of the financial statements.

Employees Welfare Fund STATEMENT OF CHANGES IN NET ASSETS/EQUITY For the year ended 30 June 2020



	Notes	General fund	·	Reserves		Total
			Reserves	Grants	Total Reserves	
•		Rs	Rs	Rs	Rs -	Rs
At 1 July 2018 - Restated		2,494,451,872	241,151,123		241,151,123	2,735,602,995
Actuarial Gains (losses) on employee benefits obligation	24	(1,328,692)	-		-	(1,328,692)
Adjustment to General Fund	26	(129,254)			-	(129,254)
Revaluation Adjustments	27	150,000	(209,771)	-	(209,771)	(59,771)
Exchange differences on translating available for sale investment	37	4,303,229		-	• •	4,303,229
Increase / (decrease) in fair value of investment securities	38	(23,006,890)		-	-	(23,006,890)
Net surplus/(deficit) for the year		78,912,683		-	•	78,912,683
At 30 June 2019		2,553,352,948	240,941,352	-	240,941,352	2,794,294,300
At 1 July 2019 - Restated		2,553,352,948	240,941,352		240,941,352	2,794,294,300
Actuarial Gains (losses) on employee benefits obligation	24	(6,383,588)			-	(6,383,588)
Adjustment to General Fund	26	1,550,643			-	1,550,643
Revaluation Adjustments	27	-	-		-	· · ·
Exchange differences on translating available for sale investment	37	18,675,360	_	•	-	18,675,360
Increase / (decrease) in fair value of investment securities	38	(43,189,335)			-	(43,189,335)
Net surplus/(deficit) for the year		75,202,607		-		75,202,607
At 30 June 2020	•	2,599,208,635	240,941,352		240,941,352	2,840,149,987

Employees Welfare Fund STATEMENT OF CASH FLOW

For the year ended 30 June 2020



2019 / 2020

2018 / 2019

	Rs	Rs
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	75,202,607	78,912,683
Non-cash movements		7012121000
Depreciation	11,498,461	15,885,481
Provisions and Write offs	10,167,388	7,564,904
Employee benefits expense	864,210	64,718
(Gain)/ Loss on FVPL investment	212,902	1,058,142
Increase/(decrease) in Accrual in other income	11,007	(285,024)
Exchange (gain)/loss	(230,875)	(58)
Adjustment for accrued expenses	11,235	006,01
Adjustment for interest accrued	(1,126,791)	(1,614,833)
Other receivables decrease(increase)	(9,815,116)	1,050,925
Other payables (decrease)increase	(65,023)	370,096
Net non-cash movements	11,527,398	24,104,351
Operating Activities		
Loans repaid	483,691,727	501,773,477
Loans refunded (overpayment)	(1,678,442)	(2,208,526)
Loans disbursed	(322,952,122)	(527,792,362)
In-house loan cover	6,997,723	11,333,913
Employee Benefits		(1,048,811)
	166,058,886	(17,942,309)
Net cash flows from operating activities	252,788,891	85,074,725
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant, property and equipment	(11, 600, 000)	
Proceeds from investments	(11,690,833)	(3,927,830)
Disposal of Land	(73,296,900)	(593,422)
Net cash flows from investing activities	(0.4.000 873)	475,000
teer cash froms 11 am investing activities	(84,987,733)	(4,046,252)
Net (decrease)/ increase in cash and cash equivalents	167,801,158	81,028,473
Cash and cash equivalents at 1 July 2019	260,410,442	179,381,969
Cash and cash equivalents at 30 June 2020	428,211,600	260,410,442
	167,801,158	81,028,473

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:

	2019 / 2020 Rs	2018 / 2019 Rs
Cash in hand and balances with banks	428,211,600	260,410,442
The entity has no undrawn borrowing facilities	428,211,600	260,410,442

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

During the period, the EWF acquired PPE and investment property with an aggregate cost of Rs10,991,798

Employees Welfare Fund STATEMENT OF COMPARISON OF BUDGET For the year ended 30 June 2020



	Final Budget 2019/2020	Actual 2019/2020	Difference Final Budget and Actual	Reason for variance
	Rs	Rs	Rs	Notes
REVENUE				
Interest Income	110,624,647	105,751,179	(4,873,468)	(1)
Investment income	5,245,000	6,111,028	866,028	
Other income	30,753,460	14,894,733	(15,858,727)	(ii) .
Total Revenue	146,623,107	126,756,940	(19,866,167)	
XPENDITURE				
Staff costs	(31,806,254)		6,394,482	(iil)
Fees to board members	(2,909,825)	(2,031,120)	878,705	
Electricity and telephone	(1,530,830)	(1,462,908)	67,922	
Legal and professional fees	(3,012,750)	(1,632,315)	1,380,435	
Repairs and insurance office and investment property	(10,819,224)	(7,719,362)	3,099,862	ļ
Training and seminars	(2,096,800)	(152,600)	1,944,200	(iv)
Other administrative expenses	(12,411,755)	(2,958,702)	9,453,053	<u>(iv)</u>
Total expenditure	(64,587,438)	(41,368,779)	23,218,659	
Surplus	82,035,669	85,388,161	3,352,492	
CAPITAL EXPENDITURE				
Capital expenditure	(246,019,361)	(10,993,797)	235,025,564	(v)
Loan schemes	(115,521,084)		282,223,784	(vii)
Investment	(75,000,000)	(73,295,906)	1,704,094	(viii)
megamen	(436,540,445)	82,412,997	518,953,442	
Net Movement in Cash	(354,504,776)	167,801,158	522,305,934	1

Notes

- (i) During the period 2019/20, the actual amount of loan disbursed was below the amount budgeted.
- (ii) The hotel operator had not paid the total amount of rent involved to them for FY 19/20. The actual amount of rent received from SCLR is below the actual amount budgeted.
- (iii) Recruitment of some posts for the period earmarked took more time than expected.
- (iv) Some training/overseas mission and welfare activities could not be held and have been postponed for the next year.
- (v) Some of the projects initially earmarked for 2019/20 have been re-allocated as per revised targets and would be part of new corporate plan.
- (vi) There has been a reduction in demand of loans during the year 2019/20 as compared to previous trends which explains a reduction in the investment in loan schemes.
- (vi) Since the demand for loans was below budgeted amount and there was no major capital project, the need for reallocating funds from investments did not arise, as initially budgeted and excess cash were place in T-Bills

Employees Welfare Fund

Notes to and forming part of the financial statements For period ended 30 June 2020



1. <u>CORPORATE INFORMATION</u>

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

2. BASIS OF PREPARATION

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

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

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

IPSAS 41 - Financial Instruments

IPSAS 42 - Social Benefits

3. REPORTING PERIOD

The financial statements have been prepared for year ended 30 June 2020, which covers the period 1 July 2019 to 30 June 2020 with comparative information for year ended 30 June 2019.

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.

Notes to and forming part of the financial statements For period ended 30 June 2020



(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) Property, plant and equipment

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

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

Depreciation

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

Plant and equipment	15 %
Electronic equipment	25 %
Furniture and fittings	10 %
Building - New Office	2 %
Computer equipment	331/3%
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.

Notes to and forming part of the financial statements For period ended 30 June 2020



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

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

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

(c) Intangible assets

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

The annual depreciation rates used for the purpose is 25 %

(d) Investment property

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

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference- 73 -between the net disposal proceeds and the

Notes to and forming part of the financial statements For period ended 30 June 2020



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

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

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

Property -Building	2 %
Plant and equipment	15 %
Furniture and fittings	10 %
Sofa, bed and accessories	20 %
Computer equipment	331/3 %
Land is not depreciated	55115 70

During the period ended 30 June 2020, the hotel continued to be managed by EGML Ltd under a Hotel Management Agreement which started since March 2017.

The figure reported as at 30 June 2020 is considered to reflect its fair value as the last revaluation was done on the 30 June 2017 and since the renovation made during the year, do not have significant change in the value of assets and still in progress.

(e) Financial instruments

1. Offsetting of financial instruments

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

2. Financial assets

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

(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.

Notes to and forming part of the financial statements For period ended 30 June 2020



(ii) Available-for-sale

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

(iii) Fair value through surplus or deficit

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

(iv) Loans and receivables

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

3. Initial recognition

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

4. Subsequent measurement

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

(i) Held-to-maturity

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

(ii) Available-for-sale

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

(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 2020. For FVTSD assets and liabilities, unrealised gains and losses are included in the Statement of Financial Performance.

Notes to and forming part of the financial statements For period ended 30 June 2020



(iv) Loans and receivables

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

5. Impairment of financial assets

(I) Assets classified as loans and receivables

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:

significant financial difficulty of the issuer or obligor; (i)

(ii) a breach of contract, such as a default or delinquency in interest or principal payments;

the lender, for economic or legal reasons relating to the borrower's financial (iii) 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;

- observable data indicating that there is a measurable decrease in the estimated (v) 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.

Notes to and forming part of the financial statements For period ended 30 June 2020



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

The calculation of the present value of the estimated future cash flows of a collaterised 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.

Notes to and forming part of the financial statements For period ended 30 June 2020



(II) Assets classified as available for sale

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

(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.

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

(g) Retirement benefit obligations

(i) Defined benefit and contribution plan

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

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

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

The current service cost and any recognised past service cost are included as an expense together with the associated interest cost, net of expected return on plan assets. The total contribution made in plans for the present financial year was Rs1,826,202

(ii) State pension plan

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

Notes to and forming part of the financial statements For period ended 30 June 2020



(h) Cash and cash equivalents

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

(i) Comparative figures

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

(j) Trade and other receivables

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

(k) Trade and other payables

Trade and other payables are stated at their nominal amount.

(l) Impairment of non-current asset

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

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

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

5. ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in accordance with IPSAS requires the Fund's management to exercise judgment in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. Judgments and estimates are continuously evaluated and are based on historical experience and other factors, including expectations and assumptions concerning future events that are believed. 79 to be reasonable under the circumstances. The

Notes to and forming part of the financial statements For period ended 30 June 2020



actual results could, by definition therefore, often differ from the related accounting estimates.

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

(a) Deferred revenue

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

(b) Impairment loss on loans and receivables to customers

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

6. FINANCIAL RISK MANAGEMENT

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

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

(a) Fair values

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

(b) Currency risks

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

Notes to and forming part of the financial statements For period ended 30 June 2020



(c) Currency profiles

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

Financial assets

CurrencyRsUnited States Dollar2,341,909British Pounds SterlingNil

(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.

The interest rate profile of the fund as at 30 June 2020 was:

Balance with banks Interest rates

Mauritian Rupee Nil
United States Dollar 0.2 to 2.10

(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.

Notes to and forming part of the financial statements For period ended 30 June 2020



(ii) Price risk

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

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

(iii) Credit risk

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

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

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

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

(I) Collateral

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

Mortgages over land and other properties Bank deposits taken as guarantees Lien placed on car

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

Notes to and forming part of the financial statements For period ended 30 June 2020



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

(II) Impairment and provision policy

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

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

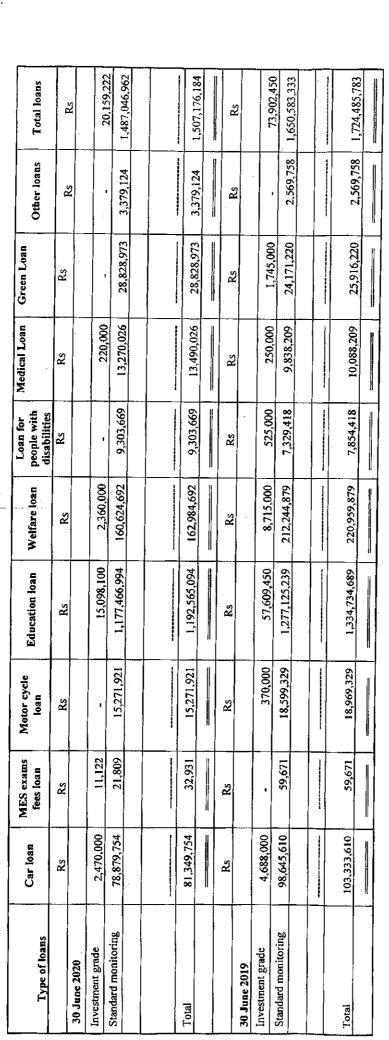
· · · · · · · · · · · · · · · · · · ·	201	9/20	201	8/19
	Credit risk exposure (%)	Impairment allowance (%)	Credit risk exposure (%)	Impairment allowance (%)
Investment grade	1		,	
Standard monitoring	86	-	4	-
Special monitoring		-	87	<u> </u>
Default	10		7	_
Detault	3	100	2	100
	100	100	100	100

Loans and receivables are summarized as follows:

	2019/20	2018/19
	Rs	Rs
Neither Past Due nor impaired	1.507.00 (100	
Past Due but not impaired	1,507,206,180	1,724,485,783
Individualla '	179,809,600	122,154,674
Individually impaired	44,983,133	44,348,672
Gross	P	8
	1,731,998,913	1,890,989,129
Impairment allowance	(42,324,194)	(41,855,587)
	771077-7745-74-74-74-74	
Total	1,689,674,719	1,849,133,542

Notes to and forming part of the financial statements For period ended 30 June 2020

Loans and receivables neither past due nor impaired





Notes to and forming part of the financial statements For period ended 30 June 2020



Loans and receivables 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 Late processing and other administrative delays on the side of the borrower can lead to a financial asset being past due but not impaired. were past due but not impaired are as follows:

Type of loans	Car loan	MES exams fees loan	Motor cycle loan	Education loan	Welfare loan	Loan for people with disabilities	Medical Loan	Green Loan	Other loans	Total loans
30 June 2020	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	R	2
Past due up to 1	626 2BU 61	35 N 13 K	A 102 AKE	200 021 201	101.01.01.	0.0.00				
1	12,070,21	004,430	4,105,435	105,17,907	101,015,55	86,938	1,473,883	6,119,132	-	161,081,004
Fast due 2 to 3 Years	140,706	5,083	210,373	8,318,867	1,649,997	1	137.873	135,409	,	10 598 308
Past due beyond 3 Years	109,322	1	E	8,020,966						0 120 100
										0,130,200
	12,343,260	19,519	4,313,828	119,519,640	34,960,098	786,958	1,611,756	_		179,809,600
	Car loan	MES exams fees loan	Motor cycle loan	Education loan	Welfare Ioan	Loan for people with disabilities	Medical Loan	Green Loan	Other loans	Total loans
30 June 2019	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	82	Rs
Past due up to 1 Year	6,306,636	30,850	3,459,515	65,528,130	22,682,758	840,973	467,914	3,622,781		102,939,557
Past due 2 to 3 Years	628'59	11,842	207,280	6,477,142	3,677,032		1	1		10,439,175
Past due beyond 3 Years	245,061	ı	ı	8,361,702	169,179	r	•	•		8,775,942
	6,617,576	42,692	3,666,795	80,366,974		840,973	467,914	3,622,781		122,154,674

Notes to and forming part of the financial statements For period ended 30 June 2020



The individually impaired allowance to customers taking into consideration the cash flows from collateral held is Rs42,324,194 as at June 2020. (2018/19- Rs41,855,588)

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

Types of loans	Car loan	MES exam fee loan	Motor cycle loan	Education loan	Welfare loan	Disability	Green loan	Total loans
30 June 2019	Rs	Rs	Rs	æ	R	82	Rs	Rs
Impairment allowance	(4,208,134)	(38,442)	(706,273)	(27,488,059)	(9,107,254)	(307,426)	ı	(41,855,588)
Release / Charge for the year (2)	(68,699)	2,734	(258,116)	2,243,193	(1,902,393)	25,392	(510,717)	(468-606)
30 June 2020								
Impairment allowance (1)	(4,276,833)	(35,708)	(964,389)	(25,244,866)	(11,009,647)	(282,034)	(510,717)	(42,324,194)

Notes to and forming part of the financial statements For period ended 30 June 2020



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. <u>IN HOUSE LOAN COVER SCHEME</u>

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 2020, an amount of Rs2,237,402 was written off under the scheme.

9. LOAN WRITTEN OFF

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

10. OTHER NON-CURRENT ASSETS

As at 30 June 2020, 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.

Notes to and forming part of the financial statements For period ended 30 June 2020



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

The cumulative provision for bad debts amounting to Rs47,767,972 includes an amount of Rs43.2m which is due by a former hotel operator since year 2015. Given the hotel operator went into voluntary liquidation and confirmation obtained from counsel, there is no likelihood of recovering the amount due. It also includes provision of Rs4,567,972 in respect of debt from other hotel/tour operators since the outcome and the likelihood of recovery out of legal proceeding is still uncertain.

For the period under review an amount of Rs8,067,972 has been provided.

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 three cases pending at court awaiting hearing for trial. At the date of the approval of financial statements, an out of court settlement for one of the three cases against a former hotel operator was being finalized. According to management, these cases are not expected to have significant impact on the financial statements ended 30 June 2020.

Employees Welfare Fund
Notes to and forming part of the financial statements
For the year ended 30 June 2020



. 14	Cash and cash equivalents	2019/20 Rs	2018/19 Rs
-	Cash at bank	428,207,114	260,408,488
	Cash in hand	4,486	1,954
		428,211,600	260,410,442
15	Trade and other receivables		
	Interest on educational loans receivable	[4,585,011	14,642,477
	Interest receivable - PSSA examination fees	22	22
	Loan to staff	5,405,213	6,617,184
	Prepayments	484,439	288,743
	Deposit for Locker	25,000	25,000
	DBM-Rodrigues Book Loan Scheme	2,500	2,500
	NIT Loan Scheme	45,200	45,200
	Advances CSM	500,000	1,000,000
	Debtors CSM Operation	3,306,863	3,306,863
	Other receivable - SCLR		•
	Rent Receivable from investment property	•	
	Commission receivable FEF	3,067,972	3,067,972
	Rent receivable - Alliance Hotels	43,200,000	43,200,000
	Rent receivable -Seaview Calodyne Lifestyle Resort	14,000,408	2,279,658
	Provision for bad debts - rent and tour operators	(47,767,972)	(38,200,000)
		36,854,656	36,275,619

16 Financial assets

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

		2019/20 	2019/20 Rs NON-CURRENT	2019/20 	2018/19
Investment securities at fair value through	eurolue ar dafinit		25,368,136	25,368,136	25,361,398
Held to maturity investment securities	surplus of deficit	73,296,900	23,308,130	73,296,900	25,301,398
Loans and receivables		428,253,510	1,257,365,228	1,685,618,738	1,846,958,679
Louis and receivables		501,550,410	1,282,733,364	1,784,283,774	1,872,320,077
		201,230,410	1,202,733,304	1,704,203,774	1,072,320,077
A Investment securities at fair value through	gumalus on definis				
Local equity securities - Unquoted	sarbins or neneit		23,026,227	23,026,227	23,865,045
Foreign investment securities		•	23,020,227	23,026,227	
1 ordigit investitiant securities			25,368,136	25,368,136	1,496,353 25,361,398
			23,308,130	23,308,130	73,301,38
b Held to maturity investment securities					
Treasury Bills		73,296,900	•	73,296,900	
		73,296,900		73,296,900	,
C Loans and receivables					
Education loan scheme		280,355,747	1,059,692,790	1,340,048,537	1,446,538,592
MES exams fees loan		76,811	11,118	87,929	140,800
Welfare loan		88,605,336	119,561,969	208,167,305	255,616,533
Car loan		34,472,154	64,387,405	98,859,559	115,268,009
Motorcycle loan		8,259,169	12,187,513	20,446,682	23,256,983
Disability loan		2,241,470	8,111,508	10,352,978	8,957,742
Green Loan		10,732,209	24,822,808	35,555,017	29,539,001
Medical Loan		2,635,376	12,466,406	15,101,782	10,556,124
Other loans		875,238	2,503,886	3,379,124	2,569,757
•		428,253,510	1,303,745,403	1,731,998,913	1,892,443,541
Luan Repayment Control		•	(2,331,270)	(2,331,270)	(2,035,373)
Provisions	•	•	(1,724,711)	(1,724,711)	(1,593,901)
Impairment allowance			(42,324,194)	(42,324,194)	(41,855,588)
		428,253,510	1,257,365,228	1,685,618,738	1,846,958,679
17 Other current/non current assets		2019/20	2019/20	2019/20	2018/19
		Rs	Rs	Rs	Rs
		CURRENT	NON-CURRENT	TOTAL	TOTAL
Land acquired through judicial action	•		1,300,001	1,300,001	1,300,001
			1,300,001	1,300,001	1,300,001

Notes to and forming part of the financial statements For the year ended 30 June 2020

Investment property 2

COST OR VALUATION

COST - Brought forward Additions during the year

Adjustment to revaluation of asset

Total Cost

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

Net Book Value at 30 June 2019

Net Book Value at 30 June 2020

110,925,000 110,925,000

4,964,518 3,588,344 177,992,000 183,318,834

7,005,911

102,773,337

1,953,208

305,096,951

308,487,051

10,654,873

11,215,433

95,767,426

1,953,208

41,675,552

43,377,830

10,396,011

400,864,377

1,953,208

1,141,718

35,075

9,219,218

185,400,000

110,925,000

Land

Buildings

49,695,184

52,890,985

Furniture and fittings

Plant and equipment

Seaview Calodyne Lifestyle Resort (SCLR)

As at 30 June 2020

Computer

Total

411,260,388

1,953,208

54,032,703

49,730,259

194,619,218

110,925,000

44,730,666 1,411,249 46,141,915

7,408,000 3,892,384 11,300,384

2018/19 2019/20 2019/20 2019/20

149,001,776 TOTAL 103,071,314 42,905,576 TOTAL 103,071,314 42,905,576 NON CURRENT CURRENT RS

140,707,567 331,113,104

160,622,244 306,599,134

160,622,244

306,599,134

41,403,761

Investment in securities - Equity method Local equity securities - Listed 19

- Unquoted

Foreign investment securities

TOTAL 2 154,052,954 595,787 154,648,741

33,020,000

33,020,000 3 EWF

64,283,823 2,891,987 67,175,810

87,472,931 89,769,131

35,521

14,275

782,917

62,704

1,841,483

139,058

323,473

51,253,500

Net Book Value at 30 June 2020

33,028,000 33,020,000

Employees Welfare Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2020

80,910 6,877 87,787 fittings 123,308 123,308 42,398 Permiture and 550 2,875 3,425 Equipment 2,200 15,500 17,700 1,650 RODRIGUES Plant & 127,630 127,630 127,630 Computer 40,813,160 95,321 40,928,481 39,546,832 598,732 40,145,564 Service concession 1,286,328 618.563 484,223 71,636 555,859 134,340 fittings 4,599,004 328,954 4,927,958 2,786,141 300,334 3,086,475 1,812,863 Furniture and equipment 16,742,439 93,912 16,836,351 16,017,600 679,693 16,697,293 724.839 EWF Computer equipment 1,261,650 62,160 1,323,750 858 937 141 340 1,000,277 402,713 Plant and 54,525,000 2,181,000 1,090,500 3,271,500 54,525,000 52,344,000 Building 20 Property, plant & equipment - 2019/20 Charge for the year Accomplated Depreciation at year end DEPRECIATION - Brought forward Net Book Value at 30 June 2019 COST - Brought forward Additions during the year Total Cost

Net Bool Net Bool COST -Addition Total o DEPRE Charge f Accumu

	Application	Total
	Software	22
- Brought forward	33,788,184	33,788,184
ons during the year		•
cost	33,788,184	33,788,184
NOT STATE OF	100	
a for the year	1 600 564	1,77,494
aulated depreciation at year end	33,376,058	33,376,058
bok Value at 30 June 2019	2 013 680	007 C30 C
	000000000	4,014,090
ook Value at 30 June 2020	412,126	412,126

Notes to and forming part of the financial statements
For the year ended 30 June 2020



٠.	,			2019/20 Rs	2018/19 Rs
22	Trade and other payables Creditors Payables - Deposits - Calodyne Seaview Lifestyle Resort	(CSLR)		2,010,326 12,000,000 14,010,326	4,066,713 12,000,000 16,066,713
	Provision for retirement benefits				
23	Deferred income Deferred revenue			91,218	604,565
24	Employee benefits obligation	Current Liabilities	Non Current Liabilities	TOTAL	TOTAL
	Bank sick leave	349,919	5,257,545	5,607,464	5,151,250
	Provision for retirement benefits	-	14,714,155	14,714,155	8,282,802
	Provision for passage credits	. •	1,701,079	1,701,079	1,671,894
	Bank vacation leave	-	4,410,746	4,410,746	4,050,515
		349,919	26,083,525	26,433,444	19,156,461

Employee leave entitlement

Employee entitlements to bank sick leaves and vacation leaves as defined in the PRB 2016 Report (the regulatory body for determining remuneration of EWF employees) are recognized when they accrue to employees. An accrual amount of Rs10,018,210 has been made for the estimated liability for bank sick leave and vacation leaves as at 30 June 2020.

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	2019/20 Rs	2018/19 Rs
Present value of funded obligation	33,181,816	24,452,008
Fair Value of plan assets	(18,467,661)	(16,169,206)
Liability recognised in the balance sheet at end of year	14,714,155	8,282,802
(ii) Amounts recognised in income statement		
Service Cost	Rs	Rs
Current Service Cost	1,330,644	943,424
Past Service Cost		•
Employee contributions	(520,905)	(549,691)
Fund expenses	79,562	34,814
Net interest expense/revenue	287,092	490,788
P & L Charge	1,176,393	919,335
Remeasurement		
Liability (gain)/loss	7,017,327	1,045,708
Assets (gain)/loss	(633,740)	282,984
Net Assets/Equity (NAE)	6,383,587	1,328,692
Total Included in staff costs	7,559,980	2,248,027

Employees Welfare Fund
Notes to and forming part of the financial statements
For the year ended 30 June 2020



	2019/20 Rs	2018/19 Rs
(iii) Movements in liability recognised in balance sheet		
At start of year: 1st July	8,282,802	7,225,773
Amount recognised in P& L	1,176,393	919,335
(Contributions paid by employer)	(1,128,628)	(1,190,998)
Amount recognised in NAE	6,383,588	1,328,692
At end of year: 30 June	14,714,155	8,282,802
(iv) The figures have been arrived at by using actuarial		
assumptions as follows:		
Discount rate	3.70%	6.75%
Expected rate of return on plan assets	3.70%	6.75%
Future salary increases	2,40%	4.00%
Future pension increases	1.40%	3.00%
Reconciliation of the present value of defined benefit obligation	Rs	Rs
Present value of obligation at start of period	24,452,008	22,725,122
Current service cost	1,330,644	943,424
Interest cost	904,724	1,533,946
(Benefits paid)	(522,887)	(1,796,192)
Liability(gain)/loss	7,017,327	1,045,708
Present value of obligation at end of period	33,181,816	24,452,008
Reconciliation of fair value of plan assets		
Fair value of plan assets at start of period	16,169,206	15,499,349
Expected return on plan assets	617,632	1,043,158
Employer contributions	1,128,628	1,190,998
Employee contributions	520,905	549,691
Acturial reserves transferred in	-	
Fund expenses	((00.440)	(1.021.004)
(Benefits paid+other outgo)	(602,449)	(1,831,006)
Asset gain/(loss) Fair value of plan assets at end of period	633,740 18,467,662	(282,984) 16,169,206
Distribution of plan assets at end of period Percentage of assets at end of year		
Government securities and cash	61.70%	58.70%
Loans	3.00%	3.40%
Local equities	10.10%	13.10%
Overseas bonds and equities	24.60%	24.20%
Property	0.60%	0.60%
Debenture stocks		
Total	100%_	100%
Additional disclosure on assets issued or used by the reporting entity		
Percentage of assets at end of year	(%)	(%)
Assets held in the entity's own financial instruments	0	0
Property occupied by the entity	0	0
Other assets used by the entity	0	0

Notes to and forming part of the financial statements For the year ended 30 June 2020



•		2019/20 Rs	2018/19 Rs
•	Components of the amount recognised in NAE		
1	Year	Jun-20	Jun-19
	Currency	Rs	Rs
	Asset experience gain/(loss) during the period	633,740	(282,984)
	Liability experience gain/(loss) during the period	(7,017,327)	(1,045,708)
		(6,383,587)	(1,328,692)
	Year 2019-20		
	Expected employer contributions - Rs 1,168,288		•
25	In House Loan Cover Scheme		
	Opening balance	68,175,976	61,824,139
	Premium collected during the year	6,982,624	11,333,911
	Premium collected during the year - staff loan	15,100	•
	Loan written off	(2,237,402)	(4,982,074)
	Closing balance	72,936,298	68,175,976
26	Capital and reserves		
	(a) General fund		
	General fund as at 1 January	2,553,352,948	2,494,451,872
	Increase/decrease in fair value of investment securities	(43,189,335)	(23,006,890)
	Movement in AFS equities	18,675,365	4,303,229
	Movement in general fund	1,550,643	20,746
	Actuarial Gain/Loss on employee benefits obligation	(6,383,588)	(1,328,692)
	Surplus for the year	75,202,602	78,912,683
	At 31 December	2,599,208,635	2,553,352,948

(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

As at 30 June 2020, an amount of Rs 4,049,388 has been paid to retired employees as per section 17 (2) EWF's Act 1995

In the same context, there exists a potential liability to refund those employees who have contributions and have retired between the period 1 July 1991 to 30 June 1994. Given that a list of such employees cannot be obtained, a reliable estimate for the potential liability cannot be made.

27	Reserves		
	Opening reserves	240,941,352	241,151,123
	Movement in reserves	<u>.</u>	(209,771)
		240,941,352	240,941,352
28	Interest income		
	Loan schemes	106,759,498	108,794,727

Employees Welfare Fund
Notes to and forming part of the financial statements
For the year ended 30 June 2020



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		2019/20	2018/19
f		Rs	Rs
29	Investment revenue (expense)	<u> </u>	
	Local equity	5,171,862	6,780,690
" í	Placement in banks and local financial instituition	10,946	106
	Foreign securities	1,554,136	570,633
	Gains (losses) on FVPL investment	(838,818)	(1,058,142)
		5,898,126	6,293,287
30	Other revenue		
	Rental income from investment property	22,440,000	26,532,000
	Administrative fees	2,652,744	4,089,533
	Decrease in Provision - Arears	2,032,777	87,753
	Disposal of Assets	660,654	84,771
	Other Miscellaneous revenue		
		778,342 26,531,740	222,650 31,016, 7 07
		20,331,740	31,010,707
31	Administrative Expenses		
	Fees to board members	2,261,120	2,832,000
	Electricity and telephone	1,456,700	1,456,110
	Repairs and maintenance	1,219,095	1,393,444
	Donation and sponsorship	20,000	426,150
	Legal and professional fees	1,190,846	1,302,370
	Postage, stationary and I.T expenses	6,494,731	7,589,623
	Insurance of office	65,024	93,800
	Training, seminars and membership fees	152,600	132,654
	Financial assistance	200,000	125,000
	Other administrative expenses	2,530,702	3,364,988
	Professional Fees	659,127	195,500
	•	16,249,945	18,911,639
20	Cu ee		
32	Staff costs Salaries		
	Allowances and overtime	20,138,196	19,361,900
	Anowances and overnine	1,671,271	1,697,750
33	Employees have 64	21,809,467	21,059,650
23	Employees benefits expenses Pension contribution		
		2,482,412	2,418,227
	Passage benefits	575,686	596,564
	Retirement benefits	864,210	64,718
	Provisions for sick and vacation leaves	544,207	488,559
24	Downsolation.	4,466,515	3,568,068
34	Depreciation		
	Property, plant and equipment	2,891,986	3,523,348
	Intangible Assets	1,600,564	5,547,851
	Investment property	7,005,911	6,814,282
25	Donaldson A de on	11,498,461	15,885,481
35	Provisions and write offs	•	
	Provisions for credit losses - arrears	130,810	-
	Impairment of loan	468,606	2,564,904
	Provision for bad debts - rent	9,567,972	5,000,000
		7,507,772	0,000,000

Employees Welfare Fund
Notes to and forming part of the financial statements
For the year ended 30 June 2020

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		2019/20	2018/19
٠.		<u>Rs</u>	Rs
36	Welfare activities		
	Welfare activities expenses	159,605	239,817
ţ	•	159,605	239,817
37	Exchange differences		
	Gain / (Loss) on exchange - Fair Value Profit & Loss (FVPL) financial assets	364,624	37,521
	Gain / (Loss) on exchange - Available for sales financial assets	18,675,360	4,303,229
38	Gain / (Loss) in fair value of securities		
	Gain / (Loss) in fair value of securities	(43,189,335)	(23,006,890)
39	Related party transactions		
	Education loan		
	- Board members	1,586,917	2,018,762
	Staff car loan		
	- Management staff	3,349,124	2,013,105
	- "	4,936,041	4,031,867