

NATIONAL AUDIT OFFICE

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**REPORT OF THE  
DIRECTOR OF AUDIT**

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**the Financial Statements  
of the Tourism Employees Welfare Fund  
for the year ended 30 June 2021**

**NATIONAL AUDIT OFFICE**

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# NATIONAL AUDIT OFFICE

## **REPORT OF THE DIRECTOR OF AUDIT TO THE BOARD OF THE TOURISM EMPLOYEES WELFARE FUND**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

I have audited the financial statements of the Tourism Employees Welfare Fund, which comprise the statement of financial position as at 30 June 2021 and the statement of financial performance, statement of changes in net assets/equity, cash flow statement 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 Tourism Employees Welfare Fund as at 30 June 2021, and of its financial performance and cash flows for the year then ended in accordance with the 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 Tourism Employees Welfare Fund in accordance with the INTOSAI Code of Ethics, together with the ethical requirements that are relevant to my audit of the financial statements in Mauritius, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Key Audit Matters**

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

#### **Other Information**

Management is responsible for the other information. The other information comprises the information included in the annual report of the Tourism 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 the International Public Sector Accounting Standards, 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 Tourism 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 Tourism 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 Tourism 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 Tourism 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 Tourism 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 Tourism 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 Tourism 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 Tourism 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 Tourism Employees Welfare Fund.

Based on my examination of the records of Tourism 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.

***Public Procurement Act***

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



**C. ROMOOAH**  
Director of Audit

National Audit Office  
Level 14, Air Mauritius Centre  
PORT LOUIS

2 May 2022



**ANNUAL REPORT  
FOR THE PERIOD  
30th JUNE 2021**



## **Message from the Chairperson**

The Tourism Sector had evolved considerably since my appointment as Chairperson of the TEWF in February 2018. With the proliferation of the Covid 19 pandemic tourism had evolved from a flourishing employment provider to an industry depending on Government Assistance to remunerate the employees of the sector. In order to face the adversity created by the pandemic, the TEWF Board had to take prompt measures to adapt to the changing operating landscape and so as to ensure the continuity of its service to the members of the Fund.

As we are all aware the year 2020/2021 is one that most of us would like to obliterate from our memory. The outbreak of COVID19 pandemic had changed our way of living. An immediate lockdown was declared as from the 18<sup>th</sup> March 2020 to protect the citizens of our country from contracting the virus. The borders have since remained closed, leading to adverse consequences for the hospitality sector, the second largest economic driver of the country. It is important to note that the Tourism Employees Welfare Fund had throughout the years accompanied the employees of the sector by providing them with welfare opportunities and despite of the current situation we have continued to do so. In order not to put undue pressure on the employees contributing to the Fund, the TEWF's Board had redesigned certain schemes so as to adapt them to the prevailing conditions in the country. The Board had in line with the decisions of the Ministry of Public service and administrative reforms issued a protocol on measures to contain the spread of the corona virus within the compound of the TEWF. A speed face verification and body temperature detection terminal had been installed at the TEWF and the staff have been issued with directives that they have to observe while dealing with clients. Also members have been encouraged to make use of the online facilities put at their disposal to avail of any service offered by the Fund.

During the year the Board met on eight occasions and 4 Finance sub-Committees were held. In order to safeguard the Fund from a financial crisis due to the uncertainty on employment that prevail in the sector the Board had decided not to grant any loan to our members until further notice and to put on hold all welfare programmes and activities. Instead, the fund earmarked for these activities have been diverted toward the provisions

of training and safety precautions that the employees have to take to prevent themselves from infections on the opening of the frontier.

On a concluding note, I would like to thank the Board Members for their unremitting support during this challenging year. On behalf of the Board, I would like to extend my sincere appreciation to the Secretary and his team who rallied on the visions to serve the needs of our 34,000 members. I wish to assure them that attending to their needs remains our topmost priority.



**Claude Regis Narain OSK**

**Chairperson**



## **Message of the Secretary**

The tourism sector is an important pillar of the Mauritian economy, contributing toward the growth in GDP and the socio- economic development of the country creating more than 100,000 direct and indirect employments. The tourism sector has been instrumental in improving the living standard of the population and uplifting many people from the shackles of poverty and marginalization.

However, the Covid-19 health pandemic is an unprecedented event that has devastated economies around the world, disrupted lives, livelihoods and businesses and decimated the travel and tourism industry. Mauritius has not escaped this immediate and immense economic shock and destruction with ripple effects beyond the sector itself. Equally, it is very likely that the future of travel and tourism will be different from what it was pre-Covid-19 as the mindset, inclinations, behaviours and attitude of travellers' change, thus affecting both the demand and the supply sides.

In order to mitigate the impact of the pandemic on Tourism employment, the Government had implemented the Wage Assistance Scheme and the Self-Employed assistance Schemes so that employees and self-employed earned at least a basic income to run their homes and not fall in extreme poverty leading to a social havoc in the country.

The Tourism Employees Welfare Fund had continued during this financial year to provide Social, Educational and Financial help to the employees of the sector. We have reallocated fund budgeted for welfare activities toward training of employees of the sector to face tourists' arrivals from different countries with the planned opening of the frontier on the 1<sup>st</sup> October 2021, after more than 15 months of close down. The employees would have to face a new normal in way of operations specially with the precautions that they would have to take in order to minimise the risks of infections from Covid 19 and also to continue to offer a quality service to the clients.

We carried an awareness programme on Covid 19 and its challenges in collaboration with the Constance Hospitality Training Centre to prepare the employees of the Tourism Sector for a restart of activities with the planned opening of the frontier. We have also launched on-job training in Housekeeping and continued with the stress management

programme so that the employees are morally prepared to face adversity and refraining from setbacks or rejections turning same into opportunities.

To conclude, I seized this opportunity to thank the Board and the staffs of the TEWF for their collaboration and support without which I would not be able to deliver up to the expectation of the employees of the Tourism Sector. I hope that the industry has a quick and positive restart in its activities on which many people rely for their survival.



**S.Goorapah**

**Secretary**



## **1.0 Principal activity**

The Tourism Employees Welfare Fund (TEWF) has been set up under the TEWF Act 2002 to provide for the social and economic welfare of employees of tourism enterprises and their families. It became operational since August 2003. Every employee and employer in the tourism sector currently contributes Rs 20 and Rs 60 monthly to the Fund respectively.

## **1.1 Need for Welfare**

The TEWF diligently supports the employees of the tourism industry to sustain the growth of the sector. To this end, the TEWF has been implemented an array of welfare schemes and programs to satisfy the welfare needs of the employees of the Tourism sector and their families. These schemes are designed to:

- (i) Boost the productivity of the employees at work.
- (ii) Meet the leisure needs of the employees and their families.
- (iii) Improve the quality of life of the employees both in their work environment and at home and
- (iii) Maintain excellence in service delivery.

## **1.2 Vision of the TEWF**

The vision of the Tourism Employees Welfare Fund is to be a leading organization in the provision of welfare activities for the employees of the Tourism sector and their families.

## **1.3 Mission of the TEWF**

The mission of the Tourism Employees Welfare Fund is to “provide for the social and economic welfare of the employees of the tourist enterprises and their families”.

## **1.4 Functions of the Tourism Employees Welfare Fund Board**

The main functions of the TEWF are:

- (a) Carryout such activities and do all such acts and things as appear requisite and advantageous for the furtherance of the objects of the Fund;
- (b) Grant loans from the Fund to employees for such purposes and on such terms and conditions as it may determine:
- (c) Without prejudice to the generality of paragraph (a), invest any surplus remaining in the Fund in such manner as the Board may determine:
- (d) acquire, purchase, take lease, hire, hold, enjoy movable and immovable property of every description and mortgage, transfer or otherwise dispose of, deal in any movable or immovable property belonging to the Fund upon such terms as the Board may think fit;
- (e) Receive payment in consideration of the services provided by the Fund;
- (f) Take, or otherwise acquire and hold shares, debentures or other security in any company.

## **2.0 Board Members**

The Fund is administered by a tripartite Board appointed by the Minister under section 6 of Tourism Employees Welfare Fund Act 2002. The Board consists of representatives of Government, Employers and Employees. The TEWF's Board was reconstituted as from 2<sup>nd</sup> February 2018 under the Chairmanship of Mr Claude Regis Narain for a period of two years.



**The composition of the Board is as follows:**

<b>Chairperson</b>	Mr Claude Regis Narain OSK
<b>Representatives of Ministries</b>	
<b>Mrs S.D Gujudhur- Nowbuth- Mr N.Jurawon Mrs O.Vinkarendoo</b>	Representative of Ministry of Tourism
<b>Mrs S.Domun</b>	Representative of the Ministry of Defence and Rodrigues
<b>Mrs K.N.Puttur</b>	Representative of the Ministry of Finance and Economic Development
<b>Mr V.K.Mudhoo</b>	Representative of the Ministry of Labour, Human Resource Development and Training
<b>Representative of Employers</b>	
<b>Mr J. Kwok represented by Mr V.Aodora</b>	Representative of AHRIM
<b>Mr D.Saramandif</b>	President Association of Tourist Professionals
<b>Mr C. Angseesing</b>	Representative of AIOM
<b>Mr C.Jhurry</b>	President Association of Tourist Operators
<b>Representative of Employees</b>	
<b>Mr K. Gujudhur</b>	Representative of Hotels & Restaurants Employees Union
<b>Mr R.Gopaul</b>	Representative of the Casino Employees Union
<b>Mrs Chitra Bachu</b>	<b>Representative of the Air Mauritius Staff Association</b>
<b>Mr M.Pagoo</b>	Representative of Airports of Mauritius (Ltd) Employees Union

## **2.1 Committees of the Board**

The Board is supported by two sub-Committees, namely the Finance committee and a staff committee. The Finance committee looks after all matters pertaining to finance and projects/schemes of the Fund. The Staff Committee deals with matters relating to recruitment, appointment, promotion and to the staff need of the Fund. **The composition of the sub committees are as follows:**

### **Finance Committee:**

**Chairperson - Mrs O.Vinkaremdoo-** Representative of the Ministry of Tourism

### **Members:**

Mrs K.N.Puttur –Lead Analyst, Ministry of Finance & Economic Development

Mr C Angseesing - Representative of the Association of Inbound Operators

Mr K.Gujudhur - Union Member, Hotels and Restaurants Employees Union

### **Staff Committee:**

**Chairperson – Mr N.Jurawon-**Representative of the Ministry of Tourism

### **Members:**

Mr V.K.Mudhoo- Representative of the Ministry of Labour, Human Resource Development and Training

Mr D.Saramandif- President Association of Tourist Professionals

Mr K.Gujudhur - Union Member, Hotels and Restaurants Employees Union



### 3.0 Management and Staffing of TEWF

The Fund, as per Section 10 of the Act, is headed by a Secretary who is appointed by the Board upon approval by the Minister. The Secretary acts as the Chief Executive Officer and is responsible for the execution of the policies and day to day management of the Fun

#### 3.1 STAFFING

	<b>SURNAME</b>	<b>NAME</b>	<b>JOB TITLE</b>
1	Goorapah	Soobeeraj	Secretary
2	Ramkurrun	Pratima	Accountant
3	Uppiah	Sivasankara	Programme Welfare Officer
4	Sewdin	Neetoo	Accounting Technician
5	Mahadeb-Ramyead	Yojana	Office Management Assistant
6	Faquir	Aline	Accounts Clerk
7	Mungrah	Natasa bye	Accounts Clerk
8	Dawoojee	Sarika	Management Support Officer
9	Poolay	Anista	Management Support Officer
10	Coonjul	Goswamee	Management Support Officer
11	Gunnack	Diana	Clerk/Word Processing Operator
12	Aliphon	Jean Patrick	Telephone/Operator
13	Sewdin	Hemraz	Office Attendant/Driver
14	Ramkhelawon	Sailesh Koomar	Office Attendant/Driver



Last Row (from left to right) – Mr. S Goorapah, Mr. S Uppiah, Mr. H Sewdin, Mr. S Ramkhelawon  
First Row (from left to right) – Miss A Poolay, Mr. C R Narain OSK, Mrs. S Dawoojee, Mrs. N B Jilloo, Mrs. G Coonjul, Mrs. D Gunnack, Mrs. P Ramkurrun  
Sitting (from left to right) – Mrs. N Sewdin, Mr. P Aliphon, Mrs. Y Mahadeb-Ramyead



### **3.2 Staff Qualification**

**(i) Goorapah Soobeeeraj, Secretary, Tourism Employees Welfare Fund**

**Professional Qualifications:** BSC Hons Management specialisation in Accounting & Finance - University of Mauritius

**Postgraduate:** MBA (General) University of Technology Mauritius

**(ii) Mrs Ramkurrun Pratima (FCCA), Accountant, Tourism Employees Welfare Fund**

**Professional Qualifications:** ACCA

**Postgraduate:** MBA with Financial Management - University of Mauritius

**(iii) Uppiah Sivasankara, Programme Welfare Officer, Tourism Employees Welfare Fund**

**Professional Qualifications:** Diploma in Leisure & Recreational Studies University of Mauritius, BSC Tourism, Leisure & Recreational Management-University of Mauritius

**(iv) Mrs Neetoo Agasing Sewdin (FCCA), Accounting Technician, Tourism Employees Welfare Fund**

**Professional Qualifications:** ACCA

**(v) Mrs Mahadeb-Ramyead Yojana, Office Management Assistant, Tourism Employees Welfare Fund.**

**Qualifications:** BSC (Hons) Financial Management – University of Mauritius.

**(vi) Mrs Natasa Mungrah, Accounts Clerk, Tourism Employees Welfare Fund**

**Qualifications:** BSC (Hons) Financial Management – University of Mauritius

**(vii) Ms Coonjul Goswanee, Management Support Officer, Tourism Employees Welfare Fund**

**Qualifications:** Degree in Information Technology –BCS-Chartered Institute of IT

**(viii) Anista Poolay, Management Support Officer, Tourism Employees Welfare Fund**

**Qualifications:** Diploma in Business Management – Association of Business Executive (ABE)

### **3.3 Staff Welfare**

#### **Medical Insurance**

The TEWF is implementing a contributory medical scheme for its staff contributing 70 % of the monthly premium payable with the National Insurance Company through a Group Comprehensive Healthcare Policy since 2015. A total amount of Rs 128,575.44 had been disbursed by the TEWF as contribution towards the medical scheme for the period July 2020 to June 2021.

### **3.4 TEWF Annual Get Together**

The Chairman and Staff of the TEWF participated in an annual end of year get together at the Maritim Crystal Beach Hotel on Tuesday 22<sup>nd</sup> December 2020.

### **3.5 Youth Employment Programme**

The following persons were at the TEWF under the Youth Employment Programme:

Mr Yanish Baboolall-1st September 2020 to 31st January 2021.

Mr Kelvin Mungur- 1st September 2020 to 31st May 2021.

### **3.6 Gender Statement**

The TEWF is an equal opportunity employer whereby each member of the staff are aware of their responsibilities in the quest of satisfying the welfare needs of the employees of the Tourism Sector and their Families.

The TEWF's Board is made up of both male and female representatives of the different sectors of the Tourism economy.

Activities organized by the Fund are meant for the participation of both the female and male employees in the sector for example mixed volley ball competition, mixed petanque, Badminton and Domino tournament.

Also, on job competition like Chef Challenge, Cocktail, Housekeeping, Barista and Front Office are opened for mixed participation.

35% of the participants in the different activities except for football organized by the Fund are female while the Board is made up of 30%of female members.



## **4.0 Schemes**

### **4.1 Educational Schemes**

#### **SC Grant**

The School Certificate Grant had been set up to reward candidates who passed the School Certificate with a maximum of 10 units. The Grant is a one off gift of Rs 5,000.

#### **HSC Grant**

The HSC Grant of an amount of Rs 10,000 is payable to children who have passed the Higher School Certificate with 5A in their respective field of study.

#### **The Laureates Gift**

The laureate Gift of Rs 20,000 is payable to children of employees working in the Tourism sector who have been declared Laureate in their respective field of study at the Higher School Certificate examination.

#### **TEWF Scholarship**

This scholarship is for children of employees working in Tourism Enterprise who have been admitted to full time award study at any registered University or training institution in Mauritius and whose parent is drawing a maximum basic Salary of Rs 15,000 per month. The scheme covers the registration fee or any other fees up to an amount of Rs 5,000 per annum for a maximum of three years.

#### **Training of Employees**

This scheme is a one-off grant representing 40 % of the total amount paid for the course up to a maximum of Rs 10,000. The Grant is payable where the employee had successfully completed an award certificate/ diploma/ degree. An amount of Rs 242,500 has been disbursed for the period July 2020 to June 2021 out of which Rs 120,000 was disbursed to employees who completed an award certificate/ diploma/ degree.

<b>Payment of Educational Schemes</b>						
	<b>July 18/June 19</b>		<b>July 19/June 2020</b>		<b>July 20/June 2021</b>	
	<b>Amt Paid (Rs)</b>	<b>No of beneficiaries</b>	<b>Amt Paid (Rs)</b>	<b>No of beneficiaries</b>	<b>Amt Paid (Rs)</b>	<b>No of beneficiaries</b>
<b>SC Grant</b>	105,000	21	75,000	15	10,000	2
<b>HSC Grant</b>	70,000	7	30,000	3	10,000	1
<b>The Laureates Gift</b>	20,000	1	40,000	2	-	-
<b>TEWF Scholarship</b>	559,950	51	175,300	16	133,700	24
<b>Training of Employees</b>	310,000	71	79,984	9	120,000	12

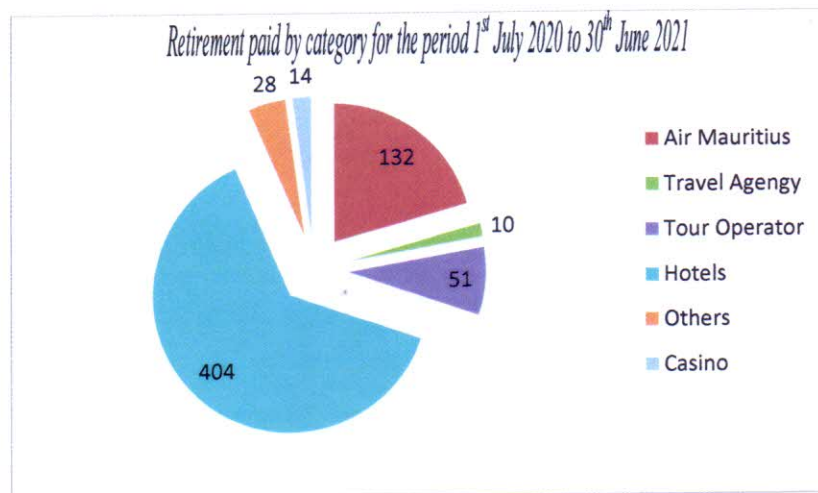
## 4.2 Social Schemes

### Retirement Gift

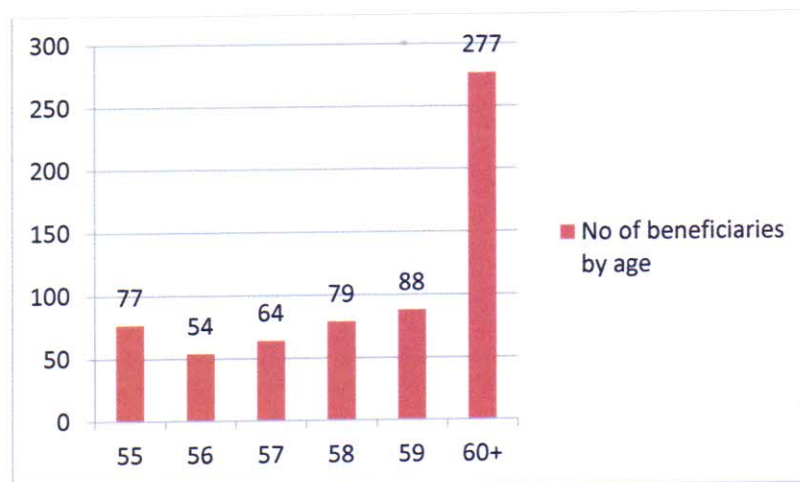
The Retirement gift is payable to an employee who retires voluntarily from the Tourism sector after attaining the age of 55 years and contributed to the Fund for at least 10 .

The Retirement Gift payable is as follow: -

SN	Years of Contribution	Amount (Rs)
1	0 to <10 years	Nil
2	+10 to < 15 years	3,000
3	Over 15	5,000



From 1<sup>st</sup> July 2020 to 30<sup>th</sup> June 2021, an amount of Rs 3,273,000 were paid to 639 employees coming mainly from hotels (403) and Air Mauritius (133). 277 of these persons were 60 years old or more. Most of the retired employees benefited from a voluntarily retirement scheme initiated by the employers.





**Death Grant- Employee**

The Death Grant of Rs 10,000 is payable for any employee who passed away while the latter was still under employment. This Grant is payable to the person who can satisfy the TEWF that he has borne the funeral expenses or to the spouse who was living under the same roof with the employee at the time of death or on the presentation of an affidavit of the deceased employee.

**Death Grant for Dependent Relative**

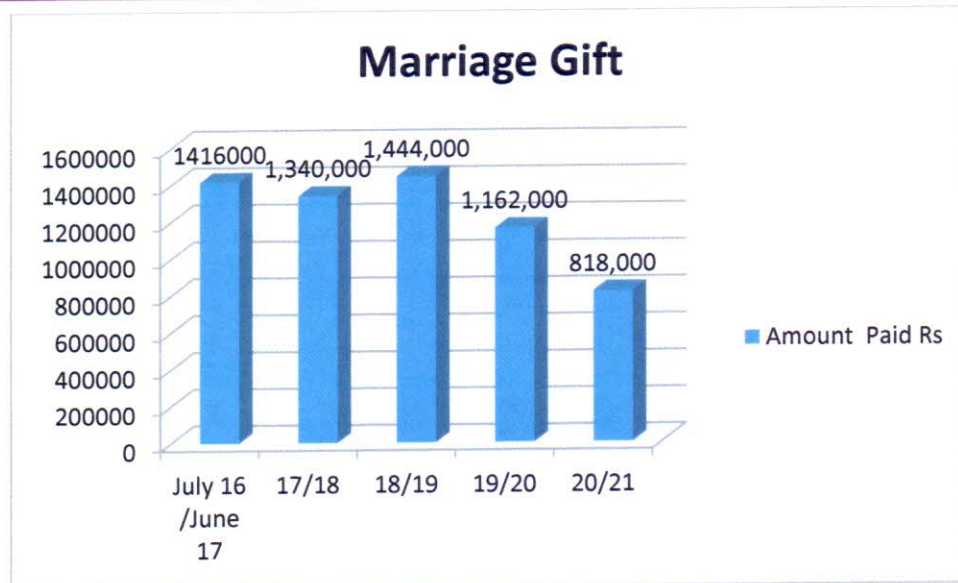
A Death Grant for Dependent Relatives of Rs 5,000 is payable to an employee whose dependent relative had passed away. Dependent relative includes spouse or a retired husband or child under 18 or a child over 18 following full time education or who cannot earn a living because of a physical or mental disability.

**Expenses on Death Grant/ Death Grant Dependent**

	July 16 /June 17	July 17/June 18	July 18/June 2019	July 19/June 2020	July 20/June 2021
Employee	250,000	290,000	260,000	260,000	470,000
Number of beneficiaries	25	29	26	26	47
Dependant Relative	90,000	110,000	130,000	120,000	70,000
Number of beneficiaries	18	22	26	24	14

**Marriage Gift Scheme**

The Marriage Gift which of Rs 3,000 is payable to employees who have contributed to the Fund for at least one year on their getting civilly married for the first time.



	<b>July 16 /June 17</b>	<b>July 17/ June18</b>	<b>July 18/ June19</b>	<b>July 19/ June 20</b>	<b>July 20/ June 21</b>
Amount Paid Rs	1,416,000	1,340,000	1,444,000	1,162,000	818,000
No of beneficiaries	354	335	361	291	263

### Parental Gift Scheme

The Parental Gift is a cash gift of Rs 3,000 payable to either husband or wife if both of them are employed in the tourism sector. An amount of Rs 1,665,000 had been disbursed from July 2020 to June 2021 to 555 beneficiaries.



## **5.0 Loans**

### **Computer Loan**

The Government is encouraging investment in the ICT Sector. To meet the challenge of making Mauritius a Cyber Island computer literacy is very important. A loan scheme of a maximum amount of Rs 40,000 at interest rate of 5% for the purchase of a computer had been set up. The repayment is over a period of 36 months.

### **Multi-Purpose Loan**

A maximum loan of Rs 75,000 at 7.5 % interest per annum repayable in 48 equal monthly instalments is put at the disposal of the employees. The aim of this loan is to enable the employee to meet various types of expenses: House decoration, Medical expenses, Marriage related expenses etc.

### **Educational Loan**

This is a loan of Rs 40,000 at an interest rate of 5% repayable in 36 monthly instalments for employees undergoing further training or for the educational needs of their wards.

### **Overseas Travel Loan**

The Travel loan is of a maximum of Rs100,000 at 7.5% interest per annum , refundable in 48 monthly instalments for employees who wish to travel over the world except to Rodrigues, where the amount allocated is Rs 50,000 per applicant for a family of two persons.

**Loan Disbursement**

<b>Loan Type/ Year</b>	<b>July 17 to June 18</b>	<b>July 18 to June 19</b>	<b>July 19 to June 20</b>	<b>July 20 to June 21</b>
Multipurpose	19,360,000	36,600,000	22,595,000	50,000
Computer				
Educational	20,000	70,000		
Motor Cycle				
Travel Loan	2,050,000	800,000	300,000	
<b>TOTAL</b>	<b>21,430,000</b>	<b>37,470,000</b>	<b>22,895,000</b>	<b>50,000</b>

With the uncertainty that prevails in the Tourism Sector due to the outbreak of Covid -19 pandemic and the closure of the frontier since 18<sup>th</sup> March 2020, the Board had, as a measure to safeguard the Fund from bad debts due to loss of employment decided not to grant any loan to the employees of the Sector as many leaving the sector until further . However, one multipurpose loan of Rs 50,000 was disbursed for medical purposes.

**6.0 TEWF Activities**

The COVID-19 pandemic had completely changed our economic and social environments and behaviours. The hospitality industry had taken a big hit with travel restrictions and the impact of Covid-19 forced the whole industry to embrace huge changes in the workplace whereby training and development were being prioritised so as to mitigate the impact of the pandemic upon the planned opening of the borders to international arrivals. An amount of Rs 122,500 had been spent for the period July 2020 to June 2021 on the provision of on job training.



## 6.1 TEWF TRAINING COURSE

The Tourism Employees Welfare Fund had carried three training courses namely; (i) **Housekeeping Refresher Course**, (ii) **Stress Seminar** and (iii) **Covid-19 Awareness Programme**

So as to prepare the employees on the basic precautions that they have to take while dealing with clients

## 6.2 Housekeeping Refresher course

The housekeeping refresher course was focused on the basis housekeeping techniques and comprehension of the department in the hospitality industry. The content of the course included;(i) Role & Importance of housekeeping (ii) Procedures for cleaning of room and sanitary issues (iii) bed making procedures and bathroom cleaning and (vi) cleaning product.

The following institutions benefitted from the training course:

- Le Beach Club
- So Mauritius
- 20 degrees Sud
- Maritim Crystal Beach
- Manta Cove (Horizon)
- Club Med – Pointe Canonniere
- Anahita residences & Villas Ltd

The Course was carried over two days in batch of 14 employees. A total number of 116 persons benefitted from the refresher course.



*Housekeeping refresher course @ Le Beach Club*

### 6.3 TEWF Stress Seminar

Stress had been defined as ‘the reaction that people have to excessive pressure, or other types of demand placed upon them. It arises when they are worried that they can’t cope’. In order to improve staff morale and cultivate optimism in the face of adversity and reframing setbacks or rejection into opportunities. The Tourism Employees Welfare Fund had organized Stress Management seminar for the employees of the sector. The seminar was conducted by Mr Pradeep Jagutpal a Professional Stress Consultant/Therapeutic Counsellor/Neuro-biofeedback Practitioner and Certified HeartMath Practitioner & Licenced Stress and Wellbeing Assessment Provider. 220 persons from the following hotels: *20 degree Sud hotel, So Sofitel, Sunset Reef Hotel, Veranda Tamarin, Club Med Le Canonniers, Anahita Residences & Villas Ltd and Anahita Golf Ltd (AGL)* benefitted from the courses.



*Stress seminar @20 Degree Sud*

### 6.4 Covid 19 Awareness Programme

The Covid19 pandemic had forced employees to adopt a new normal and bring huge changes in the way of operation at their workplace as the immediate impact is on people be it the employees or the client. There has been a lot of disinformation about Coronavirus, how it was transmitted and how employees should protect themselves from infections at their work place. As such, the TEWF in collaboration with the Constance Hospitality Training Centre had conducted a 3hrs course on the precaution that have to be taken to prevent the propagation of Covid 19 in the working environment. 201 employees from 7 hotels benefitted from the course namely:



<b>Name of Hotel</b>	<b>No of participants</b>
La Vallee des couleurs Nature Park	21
Maritim Crystal Beach	26
Sofitel Mauritius	48
Club Med Pte aux Cannonier	31
Anahita Residences & Villas Ltd	30
Veranda Tamarin	20
Anahita Golf & Spa	25
Total	201

### **6.5 Long Culinary Service to the Tourism Industry” Award Ceremony**

The Tourism Employees Welfare Fund in collaboration with the Mauritius Chefs Association had organized the “Long Culinary Service to the Tourism Industry” award ceremony on Wednesday 9<sup>th</sup> of December 2020 at Gymkhana club Vacoas.

The following chefs who have completed more than 20 years of service in the Tourism Sector were given the award based on the criterias established by the Mauritius Chef Association.

1. **Jean Ricardo Kisanasamy**
2. **Rajagopalen Rayappen**
3. **Bashir Khan Lallmamode**
4. **Rajeev Booday**
5. **Gérard Pyaneeandee**
6. **Mohun Gokhool**
7. **Vikash Deelah**
8. **Jeebun Satyajit**
9. **Thierry St. Mart**

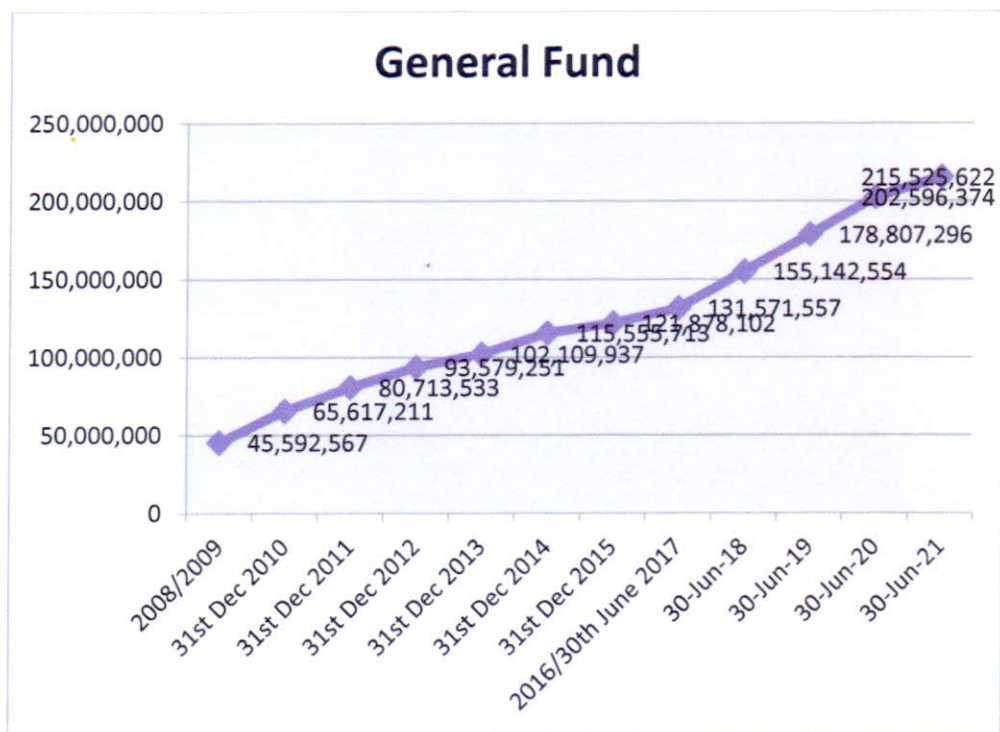


## 7.0 Financial Results

As at 30<sup>th</sup> June 2021, the TEWF had recorded a total income of Rs 35,857,576 compared to a total expenditure of Rs 19,951,733 leaving a surplus for the year amounting to Rs 15,905,843.

## 7.1 General Fund

The TEWF General Fund which shows the amount of assets which had been generated by the Fund amounted to Rs 215,525,622 that is an increased by Rs 12,929,249 as compared to the year ended 30<sup>th</sup> June 2020.





## 7.2 Statements of Revenue and Expenditure

### Statement of Revenue 1<sup>st</sup> July 2020 to 30<sup>th</sup> June 2021

Revenue (Rs)	2019-2020 Estimates	2019-2020 Actual	2020-2021 Estimates	2020-2021 Actual
Property Income				
Sales of Services	31,680,000	37,606,038	19,200,000	32,904,752
Fines, Penalties and Forfeits		196,931		261,935
Miscellaneous Revenues		6,111,370		2,690,889
<b>Total Revenue</b> from Income, User fees and other sources	<b>31,680,000</b>	<b>43,914,339</b>	<b>19,200,000</b>	<b>35,857,576</b>

### Statement of Expenditure 1<sup>st</sup> July 2019 to 30<sup>th</sup> June 2020

Head/ Sub-Head of Expenditure (Rs Million)	2019-2020 Estimates	2019-2020 Actual	2020-2021 Estimates	2020-2021 Actual
Compensation of Employees	8,640,189	9,401,914	7,822,463	9,347,342
Goods and Services	6,838,991	3,984,133	4,332,491	3,417,046
Subsidies				
Grants				
Social Benefits	7,780,000	6,145,719	12,810,000	6,773,700
Other Expense	2,400,000	593,495	1,285,000	411,245
<b>Total Revenue Expenditure</b>	<b>25,659,180</b>	<b>20,125,261</b>	<b>26,249,954</b>	<b>19,949,333</b>
Acquisition of Non-Financial Assets	1,000,000	119,337	5,829,600	5,336,245
Acquisition of Financial Assets				
<b>Total</b>	<b>26,659,180</b>	<b>20,244,598</b>	<b>32,079,554</b>	<b>25,285,587</b>

## **8.0 Strategic Positioning**

The Board is of opinion that due to the uncertainty that prevails in the Tourism Sector with the outbreak of Covid 19 pandemic causing the progression of Tourism in the world to shrink new avenues to generate income should be explored by the TEWF. As investment in fixed deposit is no longer profitable, the TEWF Board had decided to invest in the construction of a multipurpose building which would be used by both the Employees of the Tourism Sector and the public at large. Construction would start as from as soon as clearance is obtained from the Parent Ministry.

## **9.0 Corporate Governance**

### **9.1 Statement of Board members responsibilities in respect of the Financial Statements**

The Board and Management of the Fund are fully supportive and committed to the principles of integrity, transparency and professionalism as recommended by the Code of Corporate Governance. The Fund also strives to ensure that all activities are conducted in such a way so as satisfy the characteristics of good corporate governance namely; Discipline, transparency, independence, accountability, responsibility and fairness.

The Board also reports that:

- It is its responsibility to prepare financial statements that fairly present the state of affairs of the Fund as at end of the financial year and the surplus /(deficit) and cash flows for the period;
- The external auditors are responsible for the reporting on whether the financial statements are fairly presented:
- Adequate accounting records and effective system of internals and risk management have been maintained;
- Appropriate accounting policies supported by reasonable and prudent judgment and estimates have been used consistently;
- Applicable accounting standards have been adhered to;
- The code of corporate Governance has been adhered to.



Throughout the year ended 30<sup>th</sup> June 2021 to the best of the Board's knowledge, the Tourism Employees Welfare Fund had complied with the National Code of Corporate Governance for Mauritius (2016). The Fund had applied all of the eight principles set out in the Code and explained how these principles have been applied.

## **9.2 The Structure of the Board and its Committees**

The Board is headed by a chairperson appointed by the Minister under section 5 of the TEWF's Act 2002. The appointed members hold office for a period of two years and are eligible for re-appointment.

The Board had under section 8 (4) of the TEWF Act 2002 set up two sub committees namely (i) the Finance and Welfare Committee and (ii) the staff committee to discharge its functions in a timely and efficient manner.

Both the Sub committees comprised representatives of the Ministries, the Employer and the Employees and are chaired by the representative of the Ministry of Tourism. Both Sub committees include the representative of the Ministry of Finance and E.D for the Finance and Welfare Committee and the Ministry of Labour and E.R for the Staff Committee.

## **9.3 Management of the Fund**

The Fund is managed by the Secretary who is appointed by the Board upon approval by the Minister of Tourism. The Secretary is responsible for the execution of the policy of the Fund and for the control and management of its day-to-day business.

The Board members are supplied with information by the Secretary in a timely manner and in an appropriate form through the use of information technology so as to enable them to make valued judgement on matters to be discussed. Decision is reached on consensus after each member is given the opportunity to voice out his opinion.

## **9.4 Director's duties, remuneration and performance**

The Directors are aware that their duties are regulated by section 7 of the TEWF Act 2002 and that they should carry out such activities and do all such acts and things as appear requisite and advantageous for the furtherance of the objects of the Fund. The



Board had met on six occasions during the year and two finance subcommittees were also held. As per section 8 (1) the Board is responsible to regulate its proceeding and its meetings in such manner as it thinks fit and can meet at such time and place as the Chairperson considers appropriate.

The Chairperson and members of the Board and sub committees were remunerated according to the fees prescribed by the Pay Research Bureau.

**9.5 Attendance at Meetings/Fees Paid**

The Board met on 8 occasions during the period 1<sup>st</sup> July 2020 to 30 June 2021, The attendance of the individual members and fees paid were as follows:-

	<b>NAME OF MEMBERS</b>	<b>Board Meeting</b>	<b>Finance Cmttee</b>	<b>Amount paid (Rs)</b>
<i>Chairman</i>	Mr Claude Narain	8		246,276
<i>Representative of Ministry of Tourism</i>	Mrs S.D Gujudhur-Nowbuth-	1		890
	Mr N.Jurawon	2	1	2,595
	Mrs O.Vinkaremdoo	1	2	3,130
<i>Representative of the Ministry of Defence and Rodrigues</i>	Mrs S.Domun	5		5,340
<i>Representative of the Ministry of Finance and Economic Development</i>	Mrs Nunkoo-Puttur	1		890
<i>Representative of the Ministry of Labour, Human Resource Development and Training</i>	Mr V.K.Mudhoo	5		6,230
<i>President Association of Tourist Professionals</i>	Mr. D. Saramandif	6	4	8,600
<i>President Association of Tourist Operators</i>	Mr C.Jhurry	5	1	5,265
<i>Representative of AIOM</i>	Mr C.Angseesing	4		3,560
	Aurelie Leste	1		890
<i>Representative of AHRIM</i>	Mr Vikash Aodhoora	5		4450
<i>Representative of Casino Workers Union</i>	Mr R .Gopaul	7		6230
<i>Representative of Air Mauritius Staff Association</i>	S.Furey	2		1780
	C.Bachu	3		2670
<i>Representative of Airports of Mauritius (Ltd) Employees Union</i>	Mr M.Pagoo	4		3,560
<i>Representative of Hotels &amp; Restaurants Employees Union</i>	Mr Keswar Gujudhur	6	4	8600

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**9.6 Risk Governance and Internal Control**

The Board views risk management as an integral component of good business practice with a view to supporting Management's decision making, improving the reliability of business performance and assisting in the preparation of the financial statements.

The Board delegates to the Secretary such of its functions under the TEWF Act 2002 section 11 as may be necessary to carry out effectively the day-to-day business of the Fund. This comprises the responsibility for designing, operating and monitoring both the system and maintenance of effective control.

Risks in all its forms are assessed on a regular basis and corrective measures are taken so as to reduce it to zero, for example, due to the proliferation of covid 19 pandemic and the uncertainty that prevail in the Tourism sector namely to employment, the Board had frozen all the allocations of loans except for medical purposes. Also, the retirement gift had been reduced so as not to burden the Fund with the increase in the number of employees losing their jobs. Also, the Board had purchased a temperature testing machine which can detect the presence of infection from Covid 19 so as to reduce the risk to TEWF's staff being contaminated withing the office compound while dealing with any visitor.

**9.7 Reporting with Integrity.**

The Financial statements of the TEWF for the year ended 30<sup>th</sup> June 2021 have been prepared in accordance with the International Public Sector Accounting Standards (IPSASs) issued by the International Public Accounting Standards Board (IPSAAB) and submitted to National Audit Office (NAO) within the delay prescribed after it had been approved by the Board as per section 23 of the TEWF Act 2002.

The Audited Financial statements are posted on the TEWF Website as per the provisions of the Finance Act 2021 and hard copies filed with the National Assembly, the National Archives Department and other stake holder of the Tourism sector.

The Tourism Employees Welfare Fund (TEWF) recognizes that the risk of corruption is present and may occur in the organization. It is committed to maintain the highest level of integrity in the conduct of its affairs through the adoption of corruption prevention strategies in the organisation. The Fund had implemented the Anti-Corruption Policy



framework for the deterrence and detection of corruption and for adherence to a culture of integrity issued by the ICAC.

### 9.8 Code of Ethics

The TEWF has adopted a Code of Ethics to:

- Act with integrity, competence, diligence, respect, and in an ethical manner with the public, clients, prospective clients, employers, employees and colleagues in the Tourism sector.
- Place the integrity of the Fund and the interests of clients above their own personal interests.
- Use reasonable care and exercise independent professional judgment while dealing with investment analysis and making investment recommendations taking into consideration the inherent risks.
- Practice and encourage others to practice professionally and ethically that will reflect credit on themselves and their profession.

### 9.9 Implementation Plan – Director of Audit Comments

The Director of Audit (NAO) raised various issues which had come to their notice during the conduct of normal audit procedures. These issues have been addressed by Management as follows:

Sn	Issues	DOA- comments	Proposed Measures	Status
1	Internal Auditor	TOR and Renewal of Appointment	Renewal on annual basis and TOR discuss	Board approval received TOR in progress
2	Subsistence Allowance	Not paid as per recommendation	Rate applied was correct and as per recommendation	
3	Re-appointment of Board and subcommittees	Board not reconstituted	Parent Ministry informed	Board renewal due Sub committees

				to be set in due time
4	Absence of Secretary	Absence outside country due to covid	Ministry of civil service informed.	Reply awaited
5	Procurement Committee	No procurement Committee	Procurement is dealt through the Finance and Welfare committee	
6	Employee Benefits	Difference in Vacation leaves	Correction carried out	
7	Cash and Cash Equivalent	No investment of excess fund	Quotation for interest carried	Board prefers to invest in Building construction
8	Accounts Receivable	Overpayment to Board Member	Letter written to request refund	Board decided to write off overpayment
9	Loan Receivable	Overdue loan installment	Loan of small amount to be written off	Contact Debt Collector
10	Contribution Prepaid	Figures over stated	Correction brought to FS	
11	Errors in Annual Report	Errors to be corrected	Board approved correction of AR	
12	Pending Litigation	Legal Advisor had not replied to NOAC	Legal Advisor requested to reply	



### **9.10 Relations with Shareholders and other key Stakeholders.**

The TEWF carries regular meeting with the human resource managers and representatives of the employees of the Tourism sector. Members are encouraged to use the on-line system operated by the Fund to apply for any schemes that they are entitled to. The Fund tries as far as possible to adhere to its customer charter with the ultimate objective to provide the employees of the sector and their families with an improve service to better their lives.

### **9.11 Commitment toward the Employees of the Fund**

TEWF's staffs are encouraged to further their studies and to carry on job training. Also, the Fund is implementing a contributory medical scheme for the staffs and their families. Annual team building and brain storming sessions are organized and staffs are encouraged to come with new suggestions on how to improve the mode the service provided by the Fund for the ultimate benefit of the employees of the tourism sector and their families.

## **10.0 Internal Audit Function**

The Internal Audit function is an independent appraisal and consulting activity established within the Tourism Employees Welfare Fund to add value, examine and evaluate its activities. The objectives are to assist members of TEWF's Management and its Board in the effective discharge of their responsibilities by providing them with analyses, appraisals, recommendations, counsel, information concerning the activities reviewed, and by promoting effective controls at reasonable cost.

An Internal Audit plan is prepared and submitted to Management for its views and additional area to be audited. Based on the audit plan, internal audit exercises are carried out and all discrepancies, weaknesses, errors and omissions, observations and shortcomings noted during the course of the internal audit exercise are assessed with due diligence.

The impact and risks associated with discrepancies are analysed in depth and the internal audit ensured that the impact of the risks do not affect the normal business of the TEWF. Normally, all the observations and discrepancies noted are first discussed, cleared and



agreed with the officers responsible of the department and same submitted to the Secretary TEWF for corrective actions with recommendations.

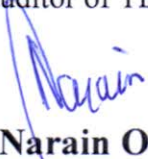
Internal Control procedures are set in such a way to detect risks and to ensure that all activities undertaken by the TEWF is according to established rules and regulations.

Risks mitigation actions are taken into consideration to do away with such any risks.

The TEWF is a small organization limited in term of budget and staffing and therefore had until now not implemented a full fledged internal audit function. However, the Board had entrusted the duties of internal audit to a part time Internal Auditor whose responsibility is to identify, evaluate and manage the key risks to which the Fund may face. The part time internal auditor reports directly to the Chairperson of the Board. An internal audit plan had been prepared and submitted to Management for views and additional areas to be audited. Based on the audit plan, internal audit exercises were carried out and discrepancies, weaknesses, errors and omissions assessed and corrective actions taken to safeguard the assets and records of the Fund. With the renewal of the Board, the Fund would set up an Audit committee to review the reports and findings of the Internal Auditor. The Internal Audit function provides Management with the assurance that the internal controls in place are appropriate and effective.

### 10.1 Auditors

The auditor of TEWF is the Director of National Audit Office.

  
**C.R.Narain OSK**  
**Chairperson**

  
**Board Member**

**Date:**



**TOURISM EMPLOYEES WELFARE FUND**  
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Tel: 211 4343 Fax: 213 5462

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**30 JUNE 2021**

# TOURISM EMPLOYEES WELFARE FUND

## STATEMENT OF FINANCIAL POSITION

*as at 30 June 2021*

		<u>30-Jun-21</u>	<u>30-Jun-20</u>
	Notes	Rs	Rs
<b>ASSETS</b>			
<i>Current Assets</i>			
Cash and Cash Equivalents	11	148,003,440	113,986,645
Accounts Receivable	12	4,386,200	4,643,895
Loans Receivables	13A	27,610,940	36,587,920
		<b>180,000,580</b>	<b>155,218,460</b>
<i>Non-Current Assets</i>			
Loan Receivables	13A	9,475,070	21,925,184
Plant and Equipment	14	660,448	827,710
Land	14	40,141,776	34,912,176
Intangible Assets	15	69,046	211,184
		<b>50,346,340</b>	<b>57,876,254</b>
<b>TOTAL ASSETS</b>		<b>230,346,920</b>	<b>213,094,714</b>
<b>LIABILITIES</b>			
<i>Current Liabilities</i>			
Payables	16	3,833,422	3,577,045
		<b>3,833,422</b>	<b>3,577,045</b>
<i>Non-Current Liabilities</i>			
Long term employee Benefits	17	5,121,044	4,031,058
Retirement Benefit Obligations	18	5,866,832	2,890,237
		<b>10,987,876</b>	<b>6,921,295</b>
<b>Total Liabilities</b>		<b>14,821,298</b>	<b>10,498,340</b>
<b>Net Assets</b>		<b>215,525,622</b>	<b>202,596,374</b>
<b>NET ASSETS/EQUITY</b>			
Capital contributed by:			
Accumulated surplus	SOE	215,525,622	202,596,374
<b>Total Net Assets/Equity</b>		<b>215,525,622</b>	<b>202,596,374</b>

The notes on pages 9 to 28 form part of these financial statements.

Approved by Board on : <i>Resolution in Writing</i> <span style="float: right;"><i>on 27 April 2022</i></span>
Chairperson : <i>[Signature]</i> .....
Board Member : <i>[Signature]</i> .....



# TOURISM EMPLOYEES WELFARE FUND

## STATEMENT OF FINANCIAL PERFORMANCE

*Year Ended 30 June 2021*

		<u>Year Ended</u> <u>30 Jun 2021</u>	<u>Year Ended</u> <u>30 Jun 2020</u> <u>(Restated)</u>
	Notes	Rs	Rs
<b>Revenue from Exchange Transactions</b>			
Contributions		32,904,752	37,606,038
Other Income	19	2,690,889	6,111,370
<b>Revenue from Non-Exchange Transactions</b>			
Penalty on Contribution	19	261,935	196,931
<b>Total Revenue</b>		<b>35,857,576</b>	<b>43,914,339</b>
<b>Expenses</b>			
Employee Costs	21	9,347,342	7,789,852
Grant Schemes	20	6,773,700	6,145,719
Operating Expenses	22	3,417,046	3,984,133
Depreciation and amortisation expense	14&15	413,645	593,495
<b>Total Expenses</b>		<b>19,951,733</b>	<b>18,513,199</b>
<b>Surplus for the Year</b>		<b>15,905,843</b>	<b>25,401,140</b>

# TOURISM EMPLOYEES WELFARE FUND

## STATEMENT OF CHANGES IN NET ASSETS / EQUITY

*Year Ended 30 June 2021*

	Retirement Benefit Obligation Reserve  Rs	Accumulated Surplus  Rs	Total  Rs
Balance as at 30 Jun 2019		178,807,296	178,807,296
Prior Year Adjustment:			
Remeasurement of Defined Benefit liability	(1,612,062)		(1,612,062)
Surplus for the year		25,401,140	25,401,140
<b>Balance as at 30 June 2020</b>			<b>202,596,374</b>
Remeasurement of Defined Benefit liability	(2,976,595)		(2,976,595)
Surplus for the year		15,905,843	15,905,843
<b>Balance as at 30 June 2021</b>			<b>215,525,622</b>

# TOURISM EMPLOYEES WELFARE FUND

## CASH FLOW STATEMENT

*Year Ended 30 June 2021*

	<u>Year Ended</u> <u>30 Jun 2021</u>	<u>Year Ended</u> <u>30 Jun 2020</u>
	Rs	Rs
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Surplus/ (Deficit)	15,905,843	25,401,140
Adjustment for:		
Depreciation and amortisation expense	413,645	593,495
Provision for bad debt	1,951,895	1,809,683
Longterm Employee Benefits	1,089,986	283,619
Interest Receivable	(2,640,868)	(4,990,744)
<b>Operating Surplus/ (Deficit) before Working Capital changes</b>	<b>16,722,901</b>	<b>23,097,193</b>
<b>Changes in Working Capital:</b>		
(Increase)/Decrease in Receivables	257,695	(966,797)
(Increase)/Decrease in loan Receivables	19,475,199	342,033
(Increase)/ Decrease in Inventories	-	78,078
Increase/(Decrease) in Payables	256,377	(1,633,083)
<b>NET CASH GENERATED FROM OPERATIONS</b>	<b>36,712,172</b>	<b>20,917,424</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, plant and Equipment	(5,336,245)	(119,337)
Interest Received	2,640,868	4,990,744
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(2,695,377)</b>	<b>4,871,407</b>
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENT</b>	<b>34,016,795</b>	<b>25,788,831</b>
<b>CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE YEAR</b>	<b>113,986,645</b>	<b>88,197,814</b>
<b>CASH AND CASH EQUIVALENT AT THE END OF THE YEAR</b>	<b>148,003,440</b>	<b>113,986,645</b>



# TOURISM EMPLOYEES WELFARE FUND

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Year Ended 30 June 2021

	Approved & Final Budget	Adjustment	Actual Amount on Comparable Basis	Difference between Budget and Actual	Notes	Remarks
	Rs	Rs	Rs	Rs		
<b>Revenue from Exchange Transactions</b>						
Contributions	19,200,000	-	32,864,313	(13,664,313)	23.1	Approx. 34,000 employees
Other Income	-	-	2,930,383	(2,930,383)	23.2	Interest received on loan
<b>Revenue from Non-Exchange Transactions</b>						
Penalty on contribution	-	-	261,935	(261,935)		
	<b>19,200,000</b>	<b>-</b>	<b>36,056,631</b>	<b>(16,856,631)</b>		
<b><u>Expenses</u></b>						
<b>Salaries and Employee Benefits</b>						
Salaries	4,779,000	-	4,794,450	(15,450)		
Compensation	194,880	-	224,130	(29,250)		
End of year Bonus	410,165	-	409,890	275		
Allowances to officers	295,000	-	391,971	(96,971)	23.3	Interim allowance
Passage Benefits	239,253	-	127,676	111,577		
Travelling Expenses	599,280	-	561,584	37,696		
Uniforms	50,000	-	17,730	32,270		
Overtime	30,000	-	23,477	6,523		
NPS Contributions	-	-	82,083	(82,083)		
FPS Contributions	99,478	-	97,701	1,777		
CSG Contributions	-	-	217,448	(217,448)	23.4	New contribution
Sicom Pension Fund	596,865	-	586,208	10,657		
Sick leave	286,967	-	-	286,967		
Staff Medical Insurance	141,575	-	129,399	12,176		
Staff training	100,000	-	-	100,000		
	<b>7,822,463</b>	<b>-</b>	<b>7,663,748</b>	<b>158,715</b>		

# TOURISM EMPLOYEES WELFARE FUND

## STATEMENT OF COMPARISION OF BUDGET AND ACTUAL AMOUNTS

Year Ended 30 June 2021 (Continued)

	Approved & Final Budget	Adjustment	Actual Amount on Comparable Basis	Difference between Budget and Actual	Notes	Remarks
	Rs	Rs	Rs	Rs		
<b>Expenses</b>						
<b>Schemes</b>						
Marriage Gift	1,110,000	-	818,000	292,000		
Death Grant	350,000	-	470,000	(120,000)	23.5	Increase in no. of death
Death Grant Dependant Relative	300,000	-	70,000	230,000		
Training	700,000	-	242,500	457,500		
Leisure Activities	1,285,000	-	81,000	1,204,000	23.6	Activities reduced due to COVID
SC Grant	200,000	-	10,000	190,000		
HSC Grant	250,000	-	10,000	240,000		
Laureate Gift	100,000	-	-	100,000		
Scholarship Grant	250,000	-	133,700	116,300		
Parental Gift	1,650,000	-	1,665,000	(15,000)		
Retirement Gift	7,500,000	-	3,273,500	4,226,500		
Special Medical Assistance	400,000	-	-	400,000		
	<b>14,095,000</b>	<b>-</b>	<b>6,773,700</b>	<b>7,321,300</b>		

# TOURISM EMPLOYEES WELFARE FUND

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Year Ended 30 June 2021

(Continued)

	Approved & Final Budget	Adjustment	Actual Amount on Comparable Basis	Difference between Budget and Actual
	Rs	Rs	Rs	Rs
<b><u>Expenses</u></b>				
<b>Operating Expenses</b>				
Donations	20,000	-	10,000	10,000
Allowance to Board Members	479,655	-	324,231	155,424
Board Expenses & Travelling	15,000	-	11,732	3,268
Media and Communications	350,000	-	249,109	100,891
Rent	1,200,336	-	1,200,336	-
Cleaning Expenses	60,000	-	59,462	538
Printing, Postage and Stationery	130,000	-	102,241	27,759
Bank interest and charges	20,000	-	29,712	(9,712)
General Expenses	20,000	-	4,100	15,900
Electricity	300,000	-	275,144	24,856
Water	7,500	-	2,563	4,937
Repairs & Maintenance	350,000	-	283,899	66,101
Motor Vehicles Expenses	100,000	-	46,318	53,682
Legal, Professional, Subscription and Membership Fees	170,000	-	195,778	(25,778)
Entertainment	75,000	-	33,828	41,172
Advertising and promotion	100,000	-	-	100,000
Insurance	100,000	-	57,566	42,434
Staff Welfare	150,000	-	74,184	75,816
Audit fees	175,000	-	250,000	(75,000)
Licenses	500,000	-	246,158	253,842
Magazines & Newspapers	10,000	-	3,225	6,775
	<b>4,332,491</b>	<b>-</b>	<b>3,459,586</b>	<b>872,905</b>



**TOURISM EMPLOYEES WELFARE FUND**  
**STATEMENT OF RECONCILIATION OF ACTUAL CASH FLOWS**

*Year Ended 30 June 2021*

Receipts	Year Ended 30 June 2021 Rs
Actual amount on comparable basis as per Statement of Comparison of Budget and Actual Amounts	36,056,631
<b>Basis of Differences:</b>	
Adjustment for receivables	(237,695)
Adjustment for payables	38,640
<b>Actual amount as per Financial Performance</b>	<b>35,857,576</b>

Payments	Year Ended 30 June 2021 Rs
Salaries and Employee Benefits	7,663,748
Schemes	6,773,700
Operating Expenses	3,459,586
Actual amount on comparable basis as per Statement of Comparison of Budget and Actual Amounts	17,897,034
<b>Basis of Differences:</b>	
Adjustment for receivables	(36,233)
Adjustment for payables	4,576
<b>Provisions &amp; Accruals</b>	
Passage Benefits	112,713
Sick Leaves	325,400
<b>Non-Cash Items</b>	
Longterm Employee Benefits	1,089,986
Depreciation & Amortisation	413,645
Provision for bad debts	142,212
Loss on disposal	2,400
<b>Actual amount as per Financial Performance</b>	<b>19,951,733</b>

# **TOURISM EMPLOYEES WELFARE FUND**

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

### **1. GENERAL INFORMATION**

The Tourism Employees Welfare Fund was established by the Tourism Employees Welfare Fund Act 2002 with object to set up schemes and projects and, generally, to carry out such activities as may be considered desirable for promoting the welfare of employees of tourism enterprises and their families. These include marriage gift, parental gift, retirement gift and different types of loans at low interest rate, as well as outdoor activities such as family day, sports day and hiking.

### **2. REGISTERED OFFICE**

The office of the Tourism Employees Welfare Fund is situated at 6<sup>th</sup> floor, Victoria House, Cnr Barracks & St Louis streets, Port Louis.

### **3. FIRST TIME ADOPTION OF IPSAS**

The Tourism Employees Welfare Fund has adopted accrual basis IPSASs as from 01 July 2020 for the first time. The TEWF has applied IPSAS 33 on First Time Adoption of Accrual Basis. IPSAS 33 provides guidance and exemptions for entities that are transitioning to accrual basis IPSASs and will have an impact on the Fund's financial statements.

The Fund has thus submitted a transitional Financial Statement which allows first time adopter a three years period to recognize and measure all assets to fully comply with IPSAS.

Previously the financial statements were prepared under the historical cost convention and in accordance with Financial Reporting Standards for Small Entities.

### **4. BASIS OF PREPARATION**

#### **4.1 Statement of Compliance**

The Transitional financial statements have been prepared, for the first time, in accordance with the International Public Sector Accounting Standards (IPSASs) issued by the International Public Sector Accounting Standards Board (IPSASB) which is a board of the Federation of Accountants (IFAC) and has elected to adopt the three years transitional period. The Fund intends to recognize and/or measure its Property, Plant and Equipment within the next three years and it will be compliant by year 2022/2023. As at date, only Motor Vehicles has fully complied with IPSAS 17.



# **TOURISM EMPLOYEES WELFARE FUND**

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

Where an IPSAS does not address a particular issue, the appropriate International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs) issued by the International Accounting Standards Board are applied.

The financial statements have been prepared under the historical cost convention and accounting policies have been applied consistently throughout the financial year.

A going concern basis has been adopted.

The Financial Statements are presented in Mauritian rupees.

### **5. ESTIMATES AND ASSUMPTIONS**

In the application of the Tourism Employees Welfare Fund's accounting policies, management and the Board are required to make judgements, estimates and assumptions about carrying amounts of assets and liabilities that are not readily apparent from other sources. Judgements and assumptions are continuously evaluated and are based on historical experience and other factors considered being reasonable and relevant under the circumstances. The actual results could therefore differ from these estimates.

The notes to the financial statements set out, where applicable, the areas where Management has applied a degree of judgement that have a significant effect on the amounts that are recognized in the financial statements.

### **6. BASIS OF MEASUREMENT**

While preparing the financial statements, the TEWF has adopted accounting principles as appropriate for the measurement and reporting of the financial position, financial performance, and cash flows on an accrual basis.

### **7. ADOPTION OF NEW AND REVISED STANDARDS**

The Financial Statements have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS) issued by the International Public Sector Accounting Standards Board (IPSASB).

In the current financial year, the TEWF has adopted all the new and revised International Public Sector Accounting Standards (IPSAS) that are relevant to its operations for the current year ended 30 June 2021 namely:

IPSAS 1 - Presentation of Financial Statements



# TOURISM EMPLOYEES WELFARE FUND

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

IPSAS 2 - Cash Flow Statements  
IPSAS 3 - Accounting policies, changes in Accounting Estimates and Errors  
IPSAS 9 - Revenue from Exchange Transactions  
IPSAS 11 - Construction Contracts  
IPSAS 12 - Inventories  
IPSAS 13 - Leases  
IPSAS 14 - Events After Reporting Date  
IPSAS 16 - Investment Property  
IPSAS 17 - Property, Plant and equipment  
IPSAS 19 - Provisions, Contingent Liabilities and Contingent Assets  
IPSAS 20 - Related Party Disclosures  
IPSAS 21 - Impairment of Non-Cash-Generating Assets  
IPSAS 23 - Revenue from Non-Exchange Transactions  
IPSAS 24 - Presentation of Budget Information in Financial Statements  
IPSAS 26 - Impairment of Cash Generating Assets  
IPSAS 28-30 - Financial Instruments effective date of January 1, 2013  
IPSAS 31 - Intangible Assets  
IPSAS 39 - Employee benefits  
IPSAS 42 - Social Benefits

In addition to the above-mentioned standards, the following standards have been issued but not adopted by the Fund: -

IPSAS 4 - The Effects of Changes in Foreign Exchange Rates  
IPSAS 5 - Borrowing Costs  
IPSAS 10 - Financial Reporting in Hyperinflationary Economies  
IPSAS 18 - Segment Reporting  
IPSAS 22 - Disclosure of Information of about the General Government Sector  
IPSAS 27 - Agriculture.  
IPSAS 32 - Service Concession Arrangements Grantor  
IPSAS 34 - Separate Financial Statements  
IPSAS 35 - Consolidated Financial Statements  
IPSAS 36 - Investments in Associates and Joint Ventures  
IPSAS 37 - Joint Arrangements  
IPSAS 38 - Disclosure of Interests of Other Entities  
IPSAS 40 - Public Sector Combinations  
IPSAS 41 - Financial Instruments effective date of January 1, 2022

# TOURISM EMPLOYEES WELFARE FUND

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### 8. STATEMENT OF FINANCIAL PERFORMANCE AND CASH FLOW STATEMENTS

The statement of financial performance classifies expenses on the basis of their nature instead of their function. The cash flow statement has been prepared using the indirect method.

### 9. SIGNIFICANT ACCOUNTING POLICIES

#### 9.1 Property, Plant and Equipment

Property, Plant and Equipment are recognized as an asset at cost (regardless to their value) if it is probable that future economic benefits or service potentials associated with the item will flow to the Fund and the cost or fair value of the item can be measured reliably.

Asset acquired through a non-exchange transaction is measured at fair value at the date of acquisition.

Following recognition as an asset, an item of property, plant and equipment is carried at cost /fair value less accumulated depreciation and any recognized impairment losses.

Depreciation is calculated to write off the cost of the assets on a straight-line basis over the estimated useful lives as follows:

- Assets acquired during a specific year are assumed to be owned as from the following month. Depreciation is accordingly calculated from the month following the month of purchase.
- No depreciation is charged in the month of disposal.

The annual rate of depreciation is as per table below:

SN	CLASS OF ASSETS	LIFETIME	DEPRECIATION RATE
1	Computer Equipment	4 years	25%
2	Office Equipment	5 years	20%
3	Furniture and Fittings	10 years	10%
4	Motor Vehicles	10 years	10%
5	Intangible Assets	3 years	33%

Gains and losses on the derecognition of an item of property, plant and equipment are determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.



# TOURISM EMPLOYEES WELFARE FUND

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### 9.1.1 Impairment

At each reporting date, all assets are reviewed for impairment. An impairment loss is recognized whenever the recoverable amount falls materially below the carrying amount of the asset (book value). The impairment loss is accounted as an expense in the statement of financial performance.

### 9.1.2 Derecognition

The carrying amount of an item of property, plant and equipment is derecognized on its disposal or when no future economic benefits or service potential is expected from its use or disposal.

### 9.1.3 Acquisition of Land

A plot of Land, amounting Rs 34,912,176, was purchased at Arsenal for future development. Land conversation tax of Rs 5,229,600 was paid thereon to implement the project of a multi-purpose building.

### 9.2 Cash and Cash Equivalents

Cash and Cash Equivalents comprise of bank balances and cash in hand.

### 9.3 Trade and Other Receivables

Trade and other receivables are stated at their nominal value. The carrying amount of trade receivables is adjusted to reflect any impairment loss at reporting date and is reduced when a trade receivable is uncollectible.

Trade receivables mainly includes contribution in arrears, loans and interest.

These are recognized on a cost basis taking into consideration provision for bad and doubtful debts. Provision for bad debt of 3% on outstanding loan balance, has been increased to 5% for the year under review.

### 9.4 Trade and Other Payables

Trade and other payables are stated at their nominal amounts.



# TOURISM EMPLOYEES WELFARE FUND

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### 9.5 Retirement and Other Benefit Obligations

#### 9.5.1 *Defined benefit pension plan*

Provision for retirement pension benefits is made under the Statutory Bodies Pension Funds Act of 1978 as amended. The scheme is a Defined Benefit pension plan and its assets are managed by State Insurance Company of Mauritius (SICOM) Ltd.

The cost of providing benefits is actuarially determined using the projected unit credit method (see note 17).

The present value of funded obligations is recognized in the Statement of Financial Position as a non-current liability after adjusting for the fair value of plan assets, any actuarial gains and losses and any current or past service cost. The valuation of these obligations is carried out on a regular basis by the actuarial services of SICOM Ltd.

The current service cost and any recognized past service cost are included in the income statement as an expense together with the associated interest cost; whereas the remeasurements of the net defined benefit liability or asset, comprising of actuarial gains and losses, return on plan assets and any changes in the effect of the asset ceiling is recognized in the Net Assets/Equity, in line with IPSAS 39.

#### 9.5.2 *Defined Contribution Pension Scheme for new entrants as from 1 January 2013*

The PRB has recommended at para. 15.91 to 15.95 of its 2013 Report a single Defined Contribution (DC) Pension scheme for new entrants to the Public Sector as from 01 January 2013. There has been one new recruit for the financial year ended 30 June 2021 and a total contribution of Rs 11,293.20 was paid to SICOM.

#### 9.5.3 *State Plan and Defined Contribution Plans*

Contributions to the National Pensions Schemes, Family Protection Schemes, National Savings Fund and 'Contribution Sociale Generalisee' (CSG) are expensed in the same financial year.

#### 9.5.4 *Long-term Employee Benefits*

Employees entitlement to sick leaves, are recognized as and when they are accrued to employees.

A provision for vacation leave is being provided for officers who may take the option to cash their accumulated vacation on retirement or death.

This is being recognized as a non-current liability in the financial statements with the comparative amount for the previous period (see Note 16).

# TOURISM EMPLOYEES WELFARE FUND

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### 9.5.5 *Passage Benefits*

Passage Benefits are earned and accumulated yearly by employees according to set criteria and fall due at short notice. They are therefore classified as short-term benefits and are measured at their nominal amount. Amounts paid are expensed during the period and amounts not paid are accrued and recognized as a liability. The carrying amount is re-measured each year after taking into account amount paid and earned during the period (see Note 15).

### 9.6 Implementation of PRB Report 2021

#### 9.6.1 *PRB Report 2021*

The PRB Report 2021 was published in September 2021 with effective date of implementation of the Report being 01 January 2021.

In November 2021, the TEWF paid arrears for salary, as well as, all allowances and benefits as from 01 January 2021 as mentioned in the Report. In order to reflect same, the following figures pertaining to financial year 2021, were accrued in the financial statement.

Items	Additional Amount Accrued
	Rs
Gross Salary	168,810.00
Overtime	1,189.81
Travel Grant	5,495.80
Untaken Sick Leave 2020	286,967.27
Vacation Leave	229,282.00
Passage Benefit	11,744.73

#### 9.6.2 *Sick Leaves*

The PRB Report 2021 recommends that the monetary value of untaken sick leave for year 2020 should be kept in a separate account and refunded to the beneficiary at the time of retirement or when the Government so deems fit, bearing in mind the financial soundness of the economy.

The Report also recommends that the amount kept in the separate account, may be used by officers for medical expenses/treatment for themselves or immediate member(s) of their family.

The untaken sick leave for year 2020 has been computed and accounted separately under long-term employee benefits.



# TOURISM EMPLOYEES WELFARE FUND

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### 9.7 Comparative Figures

Comparative information has been restated as necessary to conform to current year's presentation.

### 9.8 Revenue recognition

Revenue on account of contribution from tourism employees applicable for the period of account is recognized on a cash basis. However, at the time of preparation of account, contribution received after year ended 30 June 2021 has been accrued in order to arrive at the actual contribution figure.

### 9.9 Interest Receivables

Interest receivable on investments and bank deposits are accrued. However, interest on loan to employees is recognized on a cash basis.

### 9.10 Car Loans

Loans are granted to eligible employees of the Fund for the purchase of motor cars. Repayment is made through deduction at source from their salaries on a monthly basis instalment representing principal and interest.

The Fund has a 'Lien' placed on the vehicle purchased by the employee which will be removed on full settlement of the loan. The loan balance (principal and interest) due from employees is recognized as accounts receivables.

### 9.11 Expenses

All expenses incurred are accrued in the accounts.

### 9.12 Capital Commitments

Management has renewed for a further two-year period rental agreement as from 09 July 2021. Rental payable under operating lease is recognized to the Statement of Financial Performance on an accrual basis.

## 10 RISK MANAGEMENT POLICIES

The Tourism Employees Welfare Fund is subject to various types of risks. A description of each type of the risk is given below as well as the measures adopted by Management to control and to mitigate them.



# TOURISM EMPLOYEES WELFARE FUND

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 10.1 Credit Risk

Credit risk is the risk of loss due to a debtor's non-payment of a loan or other line of credit. Loans are provided to employees of tourism enterprises after assessment of credit worthiness. In order to mitigate and to minimise this type of risk, the organization keeps a track record of each borrower, grant one type of loan at a time and has established a close monitoring system.

## 10.2 Liquidity Risk

Liquidity Risk is the risk to an organization's earnings and capital arising from its inability to meet timely obligations when they become due without incurring unacceptable losses. Management must ensure that sufficient funds are available at a reasonable cost to meet potential demands. Hence, cashflow forecasts are prepared regularly. Moreover, bank loan facilities are available to meet obligations.

## 10.3 Interest Rate Risk

Interest rate risk is the current and prospective risk to earnings or capital arising from movements in the interest rates. Changes in interest rates affect income earned from assets and the cost of funding those assets. In order to mitigate this type of risk, the organization prefers to invest in the long-term deposit at a fixed interest rate rather than short term investment at floating rates.

# TOURISM EMPLOYEES WELFARE FUND

## NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2021

### 11 CASH AND CASH EQUIVALENTS

Items	Year Ended 30 June 2021	Year Ended 30 June 2020
	Rs	Rs
Cash in Hand	8,000	40,890
Cash at Bank	147,995,440	113,945,755
<b>Total</b>	<b>148,003,440</b>	<b>113,986,645</b>

### 12 ACCOUNTS RECEIVABLE

Items	Year Ended 30 June 2021	Year Ended 30 June 2020
	Rs	Rs
Contribution in arrears	3,018,680	2,935,128
Car Loan Receivable	562,500	855,562
Salary & Board Member Refund	9,850	29,850
Sundry Receivables & Prepayments	284,420	230,852
Contribution receivable within 1 year	510,750	592,503
<b>Total</b>	<b>4,386,200</b>	<b>4,643,895</b>

# TOURISM EMPLOYEES WELFARE FUND

## NOTES TO THE FINANCIAL STATEMENTS

*Year Ended 30 June 2021*

### 13 LOANS RECEIVABLES

Items	Year Ended 30 June 2021 Rs	Year Ended 30 June 2020 Rs
Multipurpose	37,932,179	57,945,340
Computer	155,169	172,152
Motorcycle	-	4,195
SC / HSC Loan	21,572	25,642
Educational Loan	1,755	16,228
Overseas Travel Loan	898,069	2,130,069
Loan Educational	29,161	29,161
	<b>39,037,905</b>	<b>60,322,787</b>

### 13A LONG TERM LOANS RECEIVABLES

	Year Ended 30 June 2021 Rs	Year Ended 30 June 2020 Rs
Total loans	39,037,905	60,322,787
Provision for Bad Debt	(1,951,895)	(1,809,683)
	<b>37,086,010</b>	<b>58,513,104</b>
Less amount receivable within one year	27,610,940	36,587,920
Amount receivable after one year	9,475,070	21,925,184



# TOURISM EMPLOYEES WELFARE FUND

## NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2021

### 14 PROPERTY, PLANT AND EQUIPMENT

	LAND	COMPUTER EQUIPMENT	OFFICE EQUIPMENT	FURNITURE, FIXTURES AND FITTINGS	MOTOR VEHICLE	TOTAL
	Rs	Rs	Rs	Rs	Rs	Rs
<b>COST</b>						
1 July 2020	34,912,176	1,424,209	476,275	1,189,589	1,428,000	39,430,249
Additions	5,229,600	46,000	60,645	-	-	5,336,245
Written-off	-	(304,093)	(58,960)	-	-	(363,053)
<b>30 June 2021</b>	<b>40,141,776</b>	<b>1,166,116</b>	<b>477,960</b>	<b>1,189,589</b>	<b>1,428,000</b>	<b>44,403,441</b>
<b>DEPRECIATION</b>						
1 July 2020	-	1,377,014	447,150	891,442	974,757	3,690,363
Charge for the year	-	34,057	14,437	80,213	142,800	271,507
Written-off	-	(304,093)	(56,560)	-	-	(360,653)
<b>30 June 2021</b>	<b>-</b>	<b>1,106,978</b>	<b>405,027</b>	<b>971,655</b>	<b>1,117,557</b>	<b>3,601,217</b>
<b>CARRYING AMOUNT</b>						
<b>30 June 2021</b>	<b>40,141,776</b>	<b>59,138</b>	<b>72,933</b>	<b>217,934</b>	<b>310,443</b>	<b>40,802,224</b>
30 June 2020	34,912,176	47,195	29,125	298,147	453,243	35,739,886

### 15 INTANGIBLE ASSETS

	Computer Software Rs
<b>COST</b>	
1 July 2020	784,956
<b>30 June 2021</b>	<b>784,956</b>
<b>AMORTISATION</b>	
1 July 2020	573,772
Charge for the year	142,138
<b>30 June 2021</b>	<b>715,910</b>
<b>CARRYING AMOUNT</b>	
<b>30 June 2021</b>	<b>69,046</b>
30 June 2020	211,184

# TOURISM EMPLOYEES WELFARE FUND

## NOTES TO THE FINANCIAL STATEMENTS

*Year Ended 30 June 2021*

### 16 PAYABLES

Items	Year Ended 30 June 2021 Rs	Year Ended 30 June 2020 Rs
Accruals	224,091	19,515
Other payables	87,921	52,260
Contribution prepaid	49,360	88,000
Contribution & Loan Overpaid	432,755	486,056
Interest, Admin & Insurance Receivable on Loan	2,069,287	2,199,319
Sick Leaves	325,400	-
Passage Benefits	519,608	406,895
Audit fees	125,000	325,000
<b>Total</b>	<b>3,833,422</b>	<b>3,577,045</b>

### 17 LONG TERM EMPLOYEE BENEFITS

Employee benefits represent sick leaves and vacation leaves accrued by staff.

Items	Year Ended 30 June 2021 Rs	Year Ended 30 June 2020 Rs
Sick leave benefits	2,540,547	1,972,900
Provision for Vacation Leaves Refund	2,580,497	2,058,158
<b>Amount due after one year</b>	<b>5,121,044</b>	<b>4,031,058</b>

# TOURISM EMPLOYEES WELFARE FUND

## NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2021

### 18 RETIREMENT BENEFIT OBLIGATIONS

	Year Ended 30 June 2021 Rs	Year Ended 30 June 2020 Rs
<b>Defined Benefit Pension Plan</b>		
<b>Amounts recognised in Statement of Financial Position at end of year:</b>		
Defined benefit obligation	16,880,886	12,398,644
Fair value of plan assets	(11,014,054)	(9,508,407)
<b>Liability recognised in statement of financial position at end of year</b>	<b>5,866,832</b>	<b>2,890,237</b>
<b>Amounts recognised in Income Statement:</b>		
<b>Service cost:</b>		
Current service cost	724,372	702,344
Past service cost	-	-
(Employee contributions)	(287,524)	(276,304)
Fund expenses	39,441	16,420
Net Interest expense/(income)	95,429	20,905
<b>P &amp; L Charge</b>	<b>571,718</b>	<b>463,365</b>
<b>Remeasurement</b>		
Liability (gain) / loss	3,280,522	2,131,085
Assets (gain) / loss	(300,598)	(432,804)
<b>Net Assets/Equity (NAE)</b>	<b>2,979,924</b>	<b>1,698,281</b>
<b>Total</b>	<b>3,551,642</b>	<b>2,161,646</b>
<b>Movements in liability recognised in Statement of Financial Position:</b>		
At start of year	2,890,237	1,278,175
Amount recognised in P & loss (Contributions paid by employer)	571,718 (575,047)	463,365 (549,584)
Amount recognised in NAE	2,979,924	1,698,281
<b>At end of year</b>	<b>5,866,832</b>	<b>2,890,237</b>

The plan is a defined benefit arrangement for the employees and it is a funded plan. The assets of the funded plan are held independently and administered by The State Insurance Company of Mauritius Ltd.



# TOURISM EMPLOYEES WELFARE FUND

## NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2021

### 18 RETIREMENT BENEFIT OBLIGATIONS (Continued)

	Year Ended 30 June 2021	Year Ended 30 June 2020
	Rs	Rs
<b>Defined Benefit Pension Plan</b>		
<b>Reconciliation of the present value of defined benefit obligation</b>		
Present value of obligation at start of period	12,398,644	8,574,186
Current service cost	724,372	702,344
Interest cost	477,348	330,106
(Benefits paid)	-	660,923
Liability (gain)/loss	3,280,522	2,131,085
Present value of obligation at end of period	16,880,886	12,398,644
<b>Reconciliation of fair value of plan assets</b>		
Fair value of plan assets at start of period	9,508,407	7,296,011
Expected return on plan assets	381,919	309,201
Employer contributions	575,047	549,584
Employee contributions	287,524	276,304
(Benefits paid + other outgo)	(39,441)	644,503
Asset gain/(loss)	300,598	432,804
Fair value of plan assets at end of period	11,014,054	9,508,407
<b>Distribution of plan assets at end of period</b>		
<i>Percentage of assets at end of year</i>	<b>Jun-21</b>	<b>Jun-20</b>
Government securities and cash	54.8%	61.7%
Loans	2.8%	3.0%
Local equities	11.8%	10.1%
Overseas bonds and equities	30.1%	24.6%
Property	0.5%	0.6%
Total	100.0%	100.0%
<b>Additional disclosure on assets issued or used by the reporting entity</b>		
<i>Percentage of assets at end of year</i>	<b>Jun-21</b>	<b>Jun-20</b>
	(%)	(%)
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
<b>Components of the amount recognised in OCI</b>		
Year	<b>Jun-21</b>	<b>Jun-20</b>
Currency	Rs	Rs
Asset experience gain/(loss) during the period	300,598	432,804
Liability experience gain/(loss) during the period	(3,280,522)	(2,131,085)
	(2,979,924)	(1,698,281)
Year	<b>2020/2021</b>	
Expected employer contributions (Estimate to be reviewed by Tourism Employees Welfare Fund)	604,305	
Weighted average duration of the defined benefit obligation (Calculated as a % change in PV of liabilities for a 1% change in discount rate)	21 years	

# TOURISM EMPLOYEES WELFARE FUND

## NOTES TO THE FINANCIAL STATEMENTS

*Year Ended 30 June 2021*

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### 18 RETIREMENT BENEFIT OBLIGATIONS (Continued)

The plan is exposed to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk. The risk relating to death in service benefits is re-insured.

The cost of providing the benefits is determined using the Projected Unit Method. The principal assumptions used for the purpose of the actuarial valuation were as follows:

	Year Ended 30 June 2021	Year Ended 30 June 2020
Discount rate	5.00%	3.85%
Future salary increases	3.00%	2.40%
Future pension increases	2.00%	1.40%
Mortality before retirement	Nil PA (90) Tables - rated down by 2 years	A 6770 Ultimate Tables  PA (90) Tables
Mortality in retirement		PA (90) Tables
Retirement Age		65 years

The discount rate is determined by reference to market yields on bonds.

Significant actuarial assumptions for determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based reasonably on possible changes of the assumptions occurring at the end of the reporting period.

- If the discount rate would be 100 basis points (one percent) higher (lower), the defined benefit obligation would decrease by Rs 3.1M (increase by Rs 4.1M) if all other assumptions were held unchanged.

- If the expected salary growth would increase (decrease) by 100 basis points, the defined benefit obligation would increase by Rs 2.6M (decrease by Rs 2.2M) if all assumptions were held unchanged.

- If life expectancy would increase (decrease) by one year, the defined benefit obligation would increase by Rs 0.4M (decrease by 0.4M) if all assumptions were held unchanged.

discount rate and expected salary increases, given that both depends to a certain extent on expected inflation rates. The analysis above abstracts from these interdependence between the assumptions.



# TOURISM EMPLOYEES WELFARE FUND

## NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2021

### 19 OTHER INCOME

Items	Year Ended 30 June 2021 Rs	Year Ended 30 June 2020 Rs
Interest received on Loans	2,640,868	4,990,744
Interest Received on car loan	29,619	39,489
Administration fees	1,500	665,484
Penalty on Contribution	261,935	196,931
Sundry income	18,182	105,063
Insurance	720	310,590
<b>Total</b>	<b>2,952,824</b>	<b>6,308,301</b>

### 20 GRANT SCHEMES

Items	Year Ended 30 June 2021 Rs	Year Ended 30 June 2020 Rs
Marriage Gift	818,000	1,162,000
Death Grant	470,000	260,000
Death Grant Dependant Relative	70,000	120,000
Training	242,500	79,984
Leisure Activities	81,000	714,435
SC Grant	10,000	75,000
HSC Grant	10,000	30,000
Laureate Gift	-	40,000
Scholarship Grant	133,700	175,300
Parental Gift	1,665,000	1,359,000
Retirement Gift	3,273,500	2,030,000
Special Medical Assistance	-	100,000
<b>Total</b>	<b>6,773,700</b>	<b>6,145,719</b>



**TOURISM EMPLOYEES WELFARE FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*Year Ended 30 June 2021*

**21 SALARIES AND EMPLOYEE BENEFITS**

Items	Year Ended 30 June 2021	Year Ended 30 June 2020 (Restated)
	Rs	Rs
Salaries	4,943,260	4,678,818
Compensation	224,130	171,480
End of year Bonus	409,890	398,215
Allowances to officers	391,971	283,030
Passage Benefits	240,389	214,284
Travelling Expenses	567,080	564,935
Uniforms	17,730	14,595
Overtime	24,666	25,596
NPS Contributions	82,083	86,974
FPS Contributions	97,701	93,348
CSG Contributions	217,448	-
Sicom Pension Fund	586,208	557,065
Vacation Leave	522,340	225,368
Sick leave	893,047	336,745
Staff Medical Insurance	129,399	129,399
Staff training	-	10,000
<b>TOTAL</b>	<b>9,347,342</b>	<b>7,789,852</b>

# TOURISM EMPLOYEES WELFARE FUND

## NOTES TO THE FINANCIAL STATEMENTS

*Year Ended 30 June 2021*

### 22 OPERATING EXPENSES

Items	Year Ended 30 June 2021 Rs	Year Ended 30 June 2020 Rs
Loss on disposal	2,400	-
Donations	10,000	10,000
Allowance to Board Members	324,231	262,989
Board Expenses & Travelling	11,732	5,024
Rodrigues Expenses	-	297,940
Media and Communications	249,677	261,540
Rent	1,200,336	1,200,336
Cleaning Expenses	59,462	49,557
Printing, Postage and Stationery	102,241	85,857
Bank interest and charges	29,712	25,840
General Expenses	4,100	2,170
Electricity	302,852	272,272
Water	3,067	3,145
Repairs & Maintenance	283,898	648,390
Motor Vehicles Expenses	46,318	67,452
Legal, Professional, Subscription and Membership Fees	195,778	134,895
Entertainment	33,828	54,167
Insurance	57,566	329,827
Staff Welfare	74,184	72,417
Audit fees	50,000	125,000
Provision for Bad Debts/ Bad Debt Written-off	142,212	37,886
Licenses	229,927	34,444
Magazines & Newspapers	3,525	2,985
<b>Total</b>	<b>3,417,046</b>	<b>3,984,133</b>

# TOURISM EMPLOYEES WELFARE FUND

## NOTES TO THE FINANCIAL STATEMENTS

*Year Ended 30 June 2021*

### **23 Difference Between Budget and Actual Amount**

#### **23.1 Contribution - Rs 13,664,313**

There has been a surplus in contribution as it was estimated that monthly number of employees contributing to the fund will decrease to 20,000; however due to government intervention with the wage assistance scheme, contribution was received for approximately 34,000 employees.

#### **23.2 Other Income - Rs 2,930,383**

The surplus comprises mainly of an amount of Rs 2,670,487 received as interest on loan.

#### **23.3 Allowance to Officers - Rs 96,971**

The shortfall relates to interim allowance of Rs 1,000 paid as from January 2020.

#### **23.4 CSG Contribution - Rs 217,448**

New contribution introduced as from October 2020.

#### **23.5 Death Grant - Rs 120,000**

An increase in number of deceased was noted for the year ended 30 June 2021.

#### **23.6 Leisure Activities - Rs 1,204,000**

Due to COVID, competitions could not be held, instead training courses were provided to members.