

# ANNUAL REPORT 2020



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# Message from the Chairperson

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It is with great pleasure that I associate myself with the presentation of the Annual Report 2019 /2020. I am pleased to report to the stakeholders of the Tourism Industry on the stewardship responsibility that had been entrusted to the Board of the Tourism Employees Welfare Fund.

The Tourism Sector is an important pillar of the Mauritian economy, contributing largely towards the growth in GDP and socio-economic development of the country. More than 34,000 employees of the Tourism sector in Mauritius and Rodrigues contribute to the Fund and are provided the same social ,economic, educational and welfare activities for their benefit and that of their families. During the year 2019, in line with the objectives of the Fund as laid down

in the TEWF Act 2002, we have organized a brainstorming session with all the human resource managers of the tourism sector and the employees' representatives in order to introduce new welfare activities. The TEWF has bought a portion of land of 6.78 acres in Arsenal in order to construct a multipurpose building where various facilities would be offered to the employees of the sector and their families in line with the objectives of the Fund as laid down in the TEWF Act 2002.

Since my appointment as chairperson of the Tourism Employees Welfare Fund the TEWF Board met at least once a month and board members are given the opportunities to express themselves on matters pertaining to the policies and project of the Fund. All decisions are taken by consensus.

To conclude, I would like to thank all the Board members and the staff of TEWF for their support in the formulation of policies, projects and programs for the welfare needs of employees of the sector and their families.

**C.R.Narain OSK**  
Chairperson

# Message from the Secretary

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The Year 2020 had been a year of survival. Quoting from Jack Ma the founder of the Alibaba Group of Companies I would say that we must put aside our dreams and plans but to concentrate on staying alive. The Government had introduced the Wage Assistance Scheme in order for the employees to get paid at least their basic salary at the end of the month. Despite the help from the government, many employees of the sector have lost their jobs and the total number of those who would be joining the list cannot be ascertained with reasonable certainty.

The TEWF had launched an awareness programme in collaboration with the Constance Hospitality Training Centre on the impact of Covid 19 and its challenges so as 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 with emphasis laid on the precautions that must be taken in order to avoid a second wave of the Covid 19 pandemic.

Also, we started, at the request of hotels and other tourism enterprises, a stress management programme so that the employees would be morally prepared to face adversity and to refrain from the setbacks or rejections and turning same into opportunities.

In order to ensure the financial viability of the Fund, we momentarily stopped the granting of loan but all the one-off Grants have been maintained. Further, the interest payable for late payment of contributions by the enterprises for the period March to July 2020 were waived by the Board. The TEWF has decided to put aside the construction of its multipurpose building and to carry a new feasibility study on the construction Project in light of the outcome of the restart of activities in the sector. Employees over 55 years of age who lost their jobs were paid the retirement gift normally payable to those who completed more than 18 years of service in the sector. I seized this opportunity to thank them for their service to the Tourism sector. Indeed, we would still need the coaching and mentoring of these people who have helped in the flourishing of our Industry.

I, also seized this opportunity to thank the Board and my staffs 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. From this end, the TEWF has 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 were 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
- (iv) 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.

Chairperson	Mr Claude Regis Narain OSK
<b>Representatives of Ministries</b>	
Mrs S.D.Gujudhur-Nowbuth	Representative of Ministry of Tourism
Mrs K.Babajee S.Domun as from 21 <sup>st</sup> January 2020	Representative of the Ministry of Defence and Rodrigues
Mrs K.N.Puttur	Representative of the Ministry of Finance and Economic Development
Mr V.K.Mudhoo	Representative of the Ministry of Labour, Human Resource Development and Training
<b>Representative of Employers</b>	
Mr J. Kwok represented by Mr V.Aodora	Representative of AHRIM
Mr D.Saramandif	President Association of Tourist Professionals
Mr C.Angseesing	Representative of AIOM
Mr C.Jhurry	President Association of Tourist Operators
<b>Representative of Employees</b>	
Mr K. Gujudhur	Representative of Hotels & Restaurants Employees Union
Mr R.Gopaul	Representative of the Casino Employees Union
Mr Furcy	Representative of the Air Mauritius Staff Association
Mr P.S.Dabeedeen	Representative of Airports of Mauritius (Ltd) Employees Union

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

### 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:**

**Mrs S.D.Gujudhur-Nowbuth (Chairperson)** - 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:

Mrs S.D.Gujudhur-Nowbuth (Chairperson) – 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 Fund.

## 3.1 Staffing



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

	SURNAME	NAME	JOB TITLE
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	Jilloo	Natasa bye	Accounts Clerk

	SURNAME	NAME	JOB TITLE
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 (On Contract)
12	Aliphon	Jean Patrick	Telephone/Operator
13	Sewdin	Hemraz	Office Attendant/Driver
14	Ramkhelawon	Sailesh Koomar	Office Attendant/Driver

## 3.2 Staff Qualification

### (i) **Goorapah Soobeeaj, 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) **Ms Natasa Jilloo, Accounts Clerk, Tourism Employees Welfare Fund**

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

### (vii) **Ms Coonjul Goswamee, 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 Training of Staff

Mrs P. Ramkurrun attended a two day seminar on IPSAS update and practical implementation by Mauritian Management Association.

## 3.4 On job Placement

The following persons were on job placement at the TEWF for the period 1<sup>st</sup> July 2019 to 30<sup>th</sup> June 2020:

I. Miss Teshna Hurrydoss



## 3.5 Gender Statement

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

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

### **Gender Mainstream**

In line with Government policy on Gender Mainstreaming and the National Policy on Gender, the Ministry of Tourism along with the Tourism Employees Welfare Fund have carried an on job training for children of tourism employees. The objective of the project was to make these children employable after they have completed the training in the different trade of the industry. They were paid a monthly stipend of Rs 5,000 for a period of three months. 13 children were trained in Veranda Palmar and Salt Hospitality Ltd (Salt of Palmar) and under employment in these hotels.

## 4.0 Schemes

### 4.1 Educational Schemes

#### **SC Grant**

The School Certificate Grant had been set up to reward candidates who have passed the School Certificate with a maximum of 10 units. The Grant is a one off gift of Rs 5,000. An amount of Rs 75,000 has been disbursed for the period July 2019 to June 2020.

#### **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. An amount of Rs 30,000 had been paid for the period July 2019 to June 2020.

#### **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. 2 students have benefitted from the scheme during the year 2019/2020.

#### **TEWF Scholarship**

This scholarship is for children of employees working in Tourism Enterprises 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 Training Grant is payable when the employee had successfully completed an award certificate/ diploma/ degree carried in Mauritius.

## 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 old and contributed to the Fund for at least 10 years.

The Retirement Gift payable is as follows: -

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

An amount of Rs 2,030,000 had been paid for the period July 2019 to June 2020.

### Death Grant- Employee

The Death Grant of an amount 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 had 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

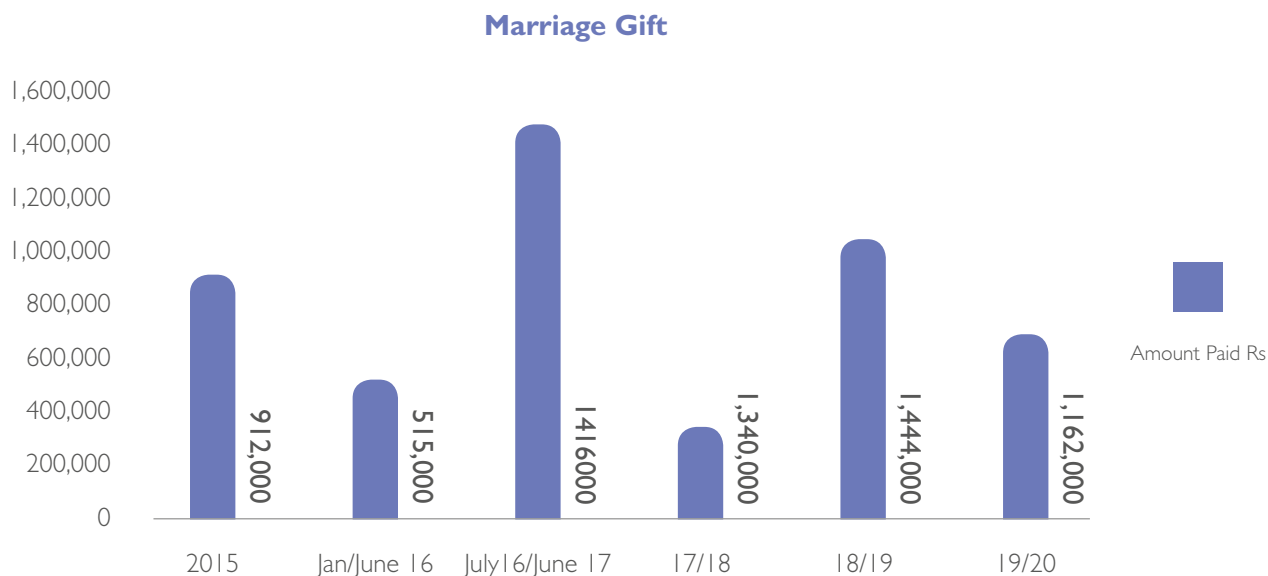
A Death Grant for Dependent Relative of Rs 5,000 is payable to an employee whose dependent relative had passed away. Dependent relative includes spouse or a retired husband and child under 18 or a child over 18 following full time education or who cannot earn a living because of a physical or mental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

### Expenses on Death Grant/ Death Grant Dependent

	Jan/ June 16	July 16 / June 17	July 17/ June 2018	July 18/ June 2019	July 19/ June 2020
Employee	230,000	250,000	290,000	260,000	260,000
Dependant Relative	80,000	90,000	110,000	130,000	120,000

## Marriage Gift Scheme

The Marriage Gift of Rs 4,000 is payable to employees who have contributed to the Fund for at least one year on their getting civilly married.



## 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 1,359,000 had been disbursed from July 2019 to June 2020.

# 5.0 Loans

## Computer Loan

In order to meet the challenge of making Mauritius a Cyber Island it is important to increase the level of computer literacy among the population of the country. The TEWF is also encouraging our members to avail to its services through its online services. Hence we are proposing computer loan of a maximum amount of Rs 40,000 at interest rate of 5 % repayable over a period of 36 months.

## Multi-Purpose Loan

The multipurpose loan is to enable the employee to meet various types of expenses: for example House decoration, Medical expenses, Marriage related expenses etc. and it is a maximum of Rs 75,000 at 7.5 % interest per annum repayable in 48 equal monthly installment.

## 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 payment of school materials or other fees for the education of their wards.

## Overseas Travel Loan

The Travel loan is of an amount of Rs 100,000 at 7.5% interests per annum , refundable in 48 monthly instalments for employees who wish to travel to any place in the world except to Rodrigues where the amount allocated is Rs 50,000 per applicant for a family of two persons.

## Loan Disbursement

Loan Type/ Year	2015	Jan to June 2016	July 2016 to June 2017	July 2017 to June 2018	July 18 to June 19	July 19 to June 2020
Multipurpose	2,594,000	16,020,000	28,710,000	19,360,000	36,600,000	22,595,000
Computer	30,000		30,000			
Educational	10,000	40,000	80,000	20,000	70,000	
Motor Cycle	150,000	50,000				
Travel Loan		200,000	1,000,000	2,050,000	800,000	300,000
<b>TOTAL</b>	<b>2,784,000</b>	<b>16,310,000</b>	<b>29,820,000</b>	<b>21,430,000</b>	<b>37,470,000</b>	<b>22,895,000</b>

## 6.0 TEWF Sport Activities

The TEWF had organised various sport activities namely football tournament, mixed volleyball competition, mixed petanque festival and badminton tournament with the objective of promoting sport & leisure activities among its members.

### 6.1 TEWF Football Festival 2019

32 Teams were enlisted for the Football Festival in the year 2019. Eighty six matches were played overall in four days of competition. The winner was Four Seasons; Ambre Resort was the runner up and Heritage Resorts finished third. They were awarded a cash prize of Rs 30,000, Rs 25,000 and Rs 20,000 respectively together with the winners shield.

#### 6.1.1 Mixed Petanque Tournament 2019

The TEWF Mixed Pétanque Tournament was held on Sunday 30th June 2019 at the Boulodrome of Quorum at Plaisance Rose –Hill. Overall 40 Teams registered for this competition. The winner was Casino de Maurice while Holiday Inn was runner up and second runner up was Club Med Pointe aux Canonniers.

#### 6.1.2 Mixed Domino Tournament 2019

The TEWF Mixed Domino Tournament 2019 was held on Sunday 14th July 2019 at Activity Hall of Coromandel Community Centre, Coromandel. 25 institutions were enlisted for this competition. Casino de Maurice won all three prizes that is Rs 8,000, Rs 6,000 and Rs 4,000 plus the winners shield.

#### 6.1.3 TEWF Badminton Tournament

The TEWF Badminton Tournament was held on Sunday 29th September 2019 at James Bertie David Gymnasium Curepipe

Category	1 <sup>st</sup> Place	2 <sup>nd</sup> Place
Men's Singles	AML ltd	Casino de Maurice
Women's Singles	Sands & Suites	NMH ltd
Men's Double	Air Mauritius	AML ltd
Women's Double	Outrigger Resort	NMH Ltd
Mixed Doubles	Lux Grand Gaube	Casino de Maurice

## 6.2 TEFW Activities for the period July 2019 to June 2020



Winner of TEFW Football tournament -  
Four Seasons



TEFW Mixed Petanque Tournament



TEFW Mixed Domino Tournament -  
Casino de Maurice



TEFW Badminton Tournament

## 6.3 TEFW Brainstorming Session 2019

The Tourism Employees Welfare Fund had organised a Brainstorming Session on Monday 12th August 2019 at Voila Hotel - Bagatelle based on the 'role of TEFW in the provision of welfare to employees of the tourism sector and their families'.

Representatives of employers and employees were given the opportunity to discuss on the present services offered by TEFW as well as to formulate new ideas/schemes/activities that can be implemented in the future. Various recommendations made during the Brainstorming Session were examined and submitted for approval to the TEFW's board for implementation.

## 6.4 TEFW Young Chef Challenge 2019 & Table Dressing Competition

The Tourism Employees Welfare Fund in collaboration with the Mauritius Chefs Association (MCA) had organized the Young Chefs' Challenge 2019 and a table dressing competition on Saturday 12th October at Ecole Hôtelière Sir Gaétan Duval to mark the International Chef Day.

The winners were as follows;

Category	Winner	Cash Price Rs	Runner - up	Cash Price Rs
Best Starter	Ambre Hotel	10,000	-	-
Best Main Course	La Pirogue Hotel	10,000	-	-
Best Dessert	Hennessy Park Hotel	10,000	-	-

Category	Winner	Cash Price Rs	Runner - up	Cash Price Rs
Young Chef Challenge	Hennessy Park Hotel	25,000	La Pirogue Hotel	15,000
Table Dressing	Le Canonnier Hotel	10,000	EHSGD	5,000



Winner Young Chef Challenge  
2019-Ambre Hotel



Table Dressing Competition

## 6.5 TEWF Best Barista 2019

The TEWF National Barista Competition 2019 was organised on Wednesday 6th November at Le Victoria hotel in collaboration with AROMARA Coffee represented by Selected Imported Product Limited (SIP). A one-day training with the Master Barista Mr. IVO FILIGI of Goriziana Coffee as well as the preliminaries/briefing of the competition was scheduled on Tuesday 5th November 2019 at MITD Ecole Hôtelière Sir Gaëtan Duval.

### The winners were as follows;

Winner – Victoria Beachcomber	- Rs 12,000
Runner up - Canonnier Beachcomber	- Rs 8,000
Second Runner up - Canonnier Beachcomber	- Rs 5,000

## 6.6 Other activities of the TEWF

### 6.6.1 TEWF's Sponsored Event

The TEWF in collaboration with the 'Association de Sommelier de L'île Maurice had organised the Best Sommelier competition on Wednesday 21<sup>st</sup> August at the Caudan Art Centre.

### 6.6.2 Foot Five Tournament

The TEWF in collaboration with The Constance Price Maurice Hotel had organized the foot five tournament on Friday 12th of July 2019 at Foot Five Bagatelle. 12 teams participated, the winner was Ambre Hotel with a cash prize of Rs 12,000 and the runner up was Four Seasons Resort with an amount of Rs 6,000.

### 6.6.3 TEWF Discount Vouchers

Members of TEWF and their families benefited from a special discount from Mauritius Aquarium, 'L'aventure Du Sucre' and 'Domaine de Etoile'.

## 7.0 TEWF Activities at Rodrigues from 15<sup>th</sup> to 22<sup>nd</sup> September 2019

### 7.1 Pastry Production & Housekeeping Operations courses

The TEWF had organized Pastry Production and Housekeeping Operations courses in Rodrigues from Monday 16<sup>th</sup> to Friday 20<sup>th</sup> September 2019 at Vatel Hotel School Rodrigues. An official launching ceremony was held on Monday 16<sup>th</sup> September at Rodrigues Vatel Hotel School.



*An official launching ceremony of the Courses were held on Monday 16<sup>th</sup> September 2019 at Rodrigues Vatel Hotel School.*



*The TEWF Housekeeping Operation Course was held at Vatel Hotel School. 21 participants coming from hotels, guest house and 'gites' followed the course*



*The Pastry production course was held at Vatel Hotel School. 21 Participants from various tourism enterprises in Rodrigues took part in this training*

## 7.2 Rodrigues' Pastry Chef CHALLENGE 2019

The Rodrigues' Pastry Chef CHALLENGE 2019 was held on Saturday 21st of September 2019 at Vatel Hotel School in the presence of the Honorable Anil Kumarsing Gayan, Minister of Tourism and Chief Commissioner of Rodrigues Mr Louis Serge Clair:



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<b>Winner</b>	Meunier Marie Michele Bernarda –Rs 15,000
<b>Runner Up</b>	Mrs Meunier Marie Desire Lordana & Manan Marie Daniella –Rs 10,000
<b>Second Runner Up</b>	Evenor Marie Angeliqne –RS 5,000

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## 7.3 Other activities at Rodrigues

1. Sensibilisation Campaigns on the activities of the TEWF. Presentations and meetings were carried out with employee of hotel etc
2. Training placement at Constance Le Prince Maurice

The winners of Rodrigues' Chef Challenge 2017 and 2018 namely Mrs Marie Annaelle Agathe and LAROSE ROSEMONDE respectively were given the opportunity by the TEWF to follow an on the job training at Constance Le Prince Maurice for one month and to participate in the TEWF/MCA Young Chef Challenge 2019.

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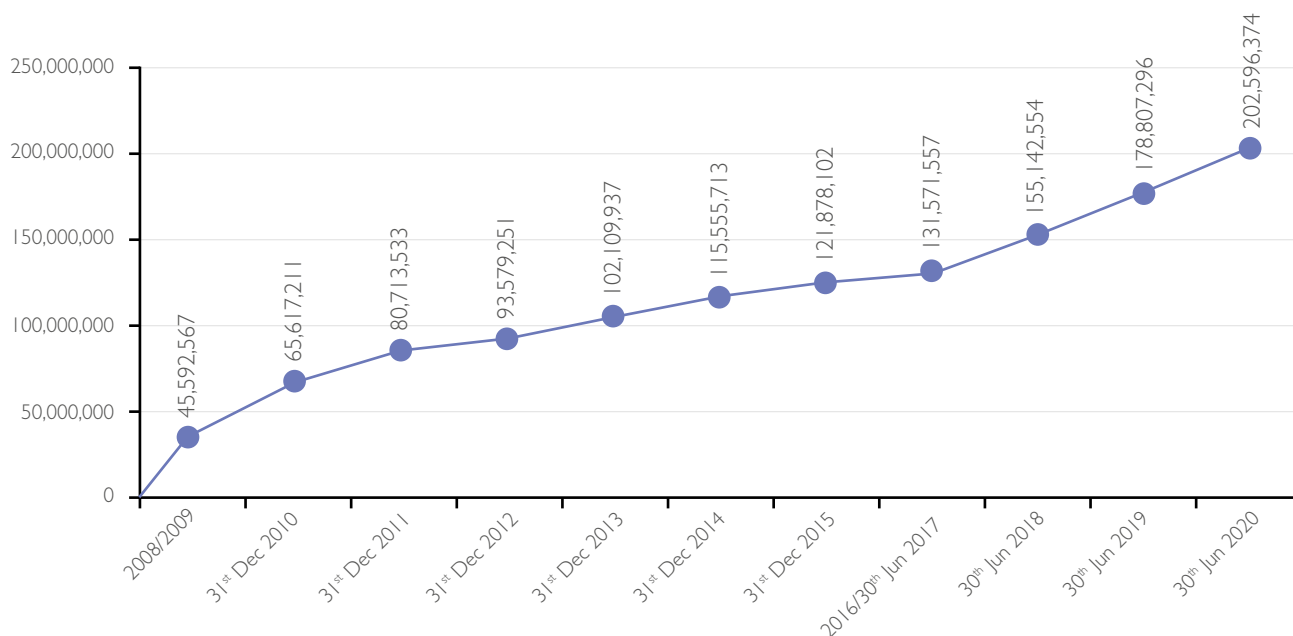


## 8.0 Financial Results

The Financial Statement for the year ended 30<sup>th</sup> June 2020 shows a total income of Rs 43,914,339 compared to a total expenditure of Rs 20,125,261. The surplus of income over expenditure amounted to Rs 23,789,078.

### 8.1 General Fund

The General Fund has been increasing each year as follows:



### 8.2 Statements of Revenue and Expenditure

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

Revenue (RsM)	2018-2019 Actual	2019-2020 Estimates	2019-2020 Actual	2020-2021 Estimates
Property Income				
Sales of Services	37,747,570	31,680,000	37,606,038	19,200,000
Fines, Penalties and Forfeits	227,682		196,931	
Miscellaneous Revenues	5,844,209		6,111,370	
<b>Total Revenue</b> from Income, User fees and other sources	<b>43,819,461</b>	<b>31,680,000</b>	<b>43,914,339</b>	<b>19,200,000</b>

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

Head/ Sub-Head of Expenditure (Rs Million)	2018-2019 Actual	2019-2020 Estimates	2019-2020 Actual	2020-2021 Estimates
Compensation of Employees	7,527,037	8,640,189	9,401,914	7,822,463
Goods and Services	5,425,308	6,838,991	3,984,133	4,332,491
Subsidies				
Grants				
Social Benefits	6,569,187	7,780,000	6,145,719	12,810,000
Other Expense	633,187	2,400,000	593,495	1,285,000
<b>Total Revenue Expenditure</b>	<b>20,154,719</b>	<b>25,659,180</b>	<b>20,125,261</b>	<b>26,249,954</b>
Acquisition of Non- Financial Assets	35,196,879	1,000,000	119,337	5,829,600
Acquisition of Financial Assets				
<b>Total</b>	<b>55,351,598</b>	<b>26,659,180</b>	<b>20,244,598</b>	<b>32,079,554</b>

### 9.0 Attendance at Meetings/Fees Paid

	NAME OF MEMBERS	Board Meeting	Finance Cmttee	Amount paid
Chairman	Mr Claude Narain	5		242,519
Representative of Ministry of Tourism	Mrs S. D Gujudhur - Nowbuth	4		3,560
Representative of the Ministry of Defence and Rodrigues	Mrs S. Domun	2		1,780
Representative of the Ministry of Finance and Economic Development	Mrs Nunkoo - Puttur	1		890
Representative of the Ministry of Labour, Industrial Relations & Employment	Mr V. K. Mudhoo	3		2,670
President Association of Tourist Professionals	Mr D. Saramandif	4		3,560
President Association of Tourist Operators	Mr C.Jhurry	3		2,670
	Mr C.Angseesing	2		2,670
Representative of AIOM	Aurelie Leste	2		1,780
Representative of AHRIM	Mr Vikash Aodhoora	2		1,780
Representative of the Casino Workers Union	Mr R .Gopaul	4		3,560
Representative of the Air Mauritius Staff Association	S.Furcy	2		1,780
	C.Bachu	1		890
Representative of Airports of Mauritius (Ltd) Employees Union	Mr PS.Dabedeen	1		890
Representative of Hotels & Restaurants Employees Union	Mr Keswar Gujudhur	3		2,670

The Board met on 5 occasions during the period 1st July 2019 to 30 June 2020, The attendance of the individual members and fees paid were as follows:-

## 10.0 Strategic Positioning

Application for land conversion had been made to the Ministry of Agro Industries and food Security. A call for expression of interest to carry a feasibility study of the project would be launched.

## 11.0 Corporate Governance

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 to 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 internal controls and risk management have been maintained;
- Appropriate accounting policies supported by reasonable and prudent judgement and estimates have been used consistently;
- Applicable accounting standards have been adhered to;
- The code of corporate Governance has been adhered to.

## 12.0 Statement of Board members responsibilities in respect of the Financial Statements

The Act requires TEWF to prepare financial statements for each year which give a true and fair view of the state of affairs and of the income and expenditure of the TEWF. In preparing the financial statements, the Board members are required to:

- Select suitable accounting policies and apply them consistently;
- Make Judgement and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the TEWF will continue in business.

The Board members confirm that they have complied with the above requirements in preparing the financial statements for the period ended 30<sup>th</sup> June 2019.

The Board members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the TEWF and to enable them to ensure that the financial statements comply with the Act and applicable standards.

They are responsible for safeguarding the assets of the TEWF and hence for taking reasonable steps for the prevention and detection of fraud and any irregularities.

## 13.0 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 analysis, 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.

### Auditors

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



**C.R.Narain OSK**

Chairperson

Date:



Board Member



# Report of the Director of Audit

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

**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 2020 and the statement of financial performance, the statement of changes in equity and the statement of cash flows 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 2020, and of its financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards for Small Entities issued under Section 72 of the Financial Reporting Act.

### 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.

# Report of the Director of Audit

To The Board of The Tourism Employees Welfare Fund

## **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 Financial Reporting Standards for Small Entities, 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.

# Report of the Director of Audit

## To The Board of The Tourism Employees Welfare Fund

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 of the Director of Audit

To The Board of The Tourism Employees Welfare Fund

## 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.

# Report of the Director of Audit

To The Board of The Tourism Employees Welfare Fund

## **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.

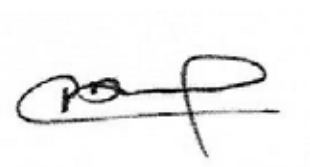
The Tourism Employees Welfare Fund has complied with the Statutory Bodies (Accounts and Audit) Act in so far as it relates to the accounts.

Based on my examination of the records of the 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 appears from my examination of the relevant records.



## **C. Romooah**

Director of Audit

National Audit Office  
Level 14,  
Air Mauritius Centre  
Port Louis

20 April 2021



# FINANCIAL STATEMENTS

For the year ended 30 June 2020



# Statement of Financial Position

as at 30 June 2020

	Notes	30-Jun-20 Rs	30-Jun-19 Rs
<b>ASSETS</b>			
<i>NON CURRENT ASSETS</i>			
PROPERTY , PLANT AND EQUIPMENT	6	35,739,886	36,122,555
INTANGIBLE ASSETS	7	211,184	302,673
LOANS RECEIVABLES	9	21,925,184	30,218,227
		<b>57,876,254</b>	<b>66,643,455</b>
<i>CURRENT ASSETS</i>			
INVENTORIES	10	-	78,078
ACCOUNTS RECEIVABLE	11	4,643,895	3,677,099
LOANS RECEIVABLES	9	36,587,920	30,446,592
CASH AND CASH EQUIVALENTS		113,986,645	88,197,814
		<b>155,218,460</b>	<b>122,399,583</b>
<b>TOTAL ASSETS</b>		<b>213,094,714</b>	<b>189,043,038</b>
<b>EQUITY AND LIABILITIES</b>			
<i>CAPITAL AND RESERVES</i>			
GENERAL FUND		202,596,374	178,807,296
<b>TOTAL EQUITY</b>		<b>202,596,374</b>	<b>178,807,296</b>
<i>NON CURRENT LIABILITIES</i>			
LONG TERM EMPLOYEE BENEFITS	12	4,031,058	3,747,439
RETIREMENT BENEFIT OBLIGATIONS	8	2,890,237	1,278,175
		<b>6,921,295</b>	<b>5,025,614</b>
<i>CURRENT LIABILITIES</i>			
ACCOUNTS PAYABLE	13	3,577,045	5,210,128
		<b>3,577,045</b>	<b>5,210,128</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>213,094,714</b>	<b>189,043,038</b>

The notes on pages 31 to 44 form part of these financial statements.

Approved by Board on :

Chairperson :

Board Member :

# Statement of Financial Performance

Year Ended 30 June 2020

		Year Ended 30 Jun 2020	Year Ended 30 Jun 2019
	Notes	Rs	Rs
<b>INCOME</b>			
CONTRIBUTIONS		37,606,038	37,747,570
OTHER INCOME	14	6,308,301	6,071,891
<b>TOTAL INCOME</b>		<b>43,914,339</b>	<b>43,819,461</b>
<b>EXPENDITURE</b>			
GRANT SCHEMES	15	6,145,719	6,569,187
STAFF COSTS	16	9,401,914	7,527,037
ADMINISTRATIVE EXPENSES	17	3,984,133	5,425,308
DEPRECIATION AND AMORTISATION EXPENSE	6&7	593,495	633,187
<b>TOTAL EXPENDITURE</b>		<b>20,125,261</b>	<b>20,154,719</b>
<b>PROFIT FOR THE YEAR</b>		<b>23,789,078</b>	<b>23,664,742</b>

# Statement of Changes in Equity

Year Ended 30 June 2020

	General Fund
	Rs
<b>Balance as at 30 Jun 2018</b>	155,142,554
Surplus for the year	23,664,742
<b>Balance as at 30 June 2019</b>	<b>178,807,296</b>
Surplus for the year	23,789,078
<b>Balance as at 30 June 2020</b>	<b>202,596,374</b>

# Statement of Cash Flows

Year Ended 30 June 2020

	Year Ended 30 Jun 2020	Year Ended 30 Jun 2019
	Rs	Rs
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Surplus/ (Deficit)	23,789,078	23,664,742
Adjustment for:		
Depreciation and amortisation expense	593,495	633,187
Provision for bad debt	1,809,683	1,875,330
Longterm Employee Benefits	283,619	142,486
Retirement Benefit Obligation	1,612,062	(517,662)
Interest Receivable	(4,990,744)	(3,581,595)
<b>Operating Surplus/ (Deficit) before Working Capital changes</b>	<b>23,097,193</b>	<b>22,216,488</b>
<b>Changes in Working Capital:</b>		
(Increase)/Decrease in Receivables	(966,797)	294,276
(Increase)/Decrease in loan Receivables	342,033	(15,894,781)
(Increase)/ Decrease in Inventories	78,078	(20,011)
Increase/(Decrease) in Payables	(1,633,083)	(602,770)
<b>NET CASH GENERATED FROM OPERATIONS</b>	<b>20,917,424</b>	<b>5,993,202</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, plant and Equipment	(119,337)	(35,196,879)
Proceeds from Investment	-	-
Interest Received	4,990,744	3,581,595
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>4,871,407</b>	<b>(31,615,284)</b>
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENT</b>	<b>25,788,831</b>	<b>(25,622,082)</b>
<b>CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE YEAR</b>	<b>88,197,814</b>	<b>113,819,897</b>
<b>CASH AND CASH EQUIVALENT AT THE END OF THE YEAR</b>	<b>113,986,645</b>	<b>88,197,814</b>

# Notes to the Financial Statements

Year Ended 30 June 2020

## 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 6th floor, Victoria House, Cnr Barracks & St Louis streets, Port Louis.

## 3. BASIS OF MEASUREMENT

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standards for Small Entities.

The going concern basis has been adopted.

The Financial Statements are presented in Mauritian rupees.

## 4. ACCOUNTING POLICIES

### 4.1 Property, Plant and Equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation and any recognised impairment losses. Depreciation is calculated on a pro-rata basis in the year of acquisition while no depreciation is charged in the year of sales or write-off.



# Notes to the Financial Statements

Year Ended 30 June 2020

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

SN	CATEGORY	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%

## 4.1.1 Acquisition of Land

A plot of Land, amounting Rs 34,912,175, was purchased at Arsenal for future development.

## 4.2 Cash and Cash Equivalents

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

## 4.3 Retirement and Other Benefit Obligations

### 4.3.1 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 8).

The present value of funded obligations is recognised 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.

# Notes to the Financial Statements

Year Ended 30 June 2020

The current service cost and any recognised 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 recognised as Other Comprehensive Income.

## **4.3.2 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 have been no new recruits for the financial year ended 30 June 2020.

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

Contributions to the National Pensions Schemes, Family Protection Schemes and National Savings Fund are expensed in the same financial year.

## **4.3.4 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 12).

## **4.3.5 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 13).

# Notes to the Financial Statements

Year Ended 30 June 2020

## 4.4 Comparative Figures

Comparative figures for the previous financial year ended 30 June 2019 have not been restated.

## 4.5 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 2020 has been accrued in order to arrive at the actual contribution figure.

## 4.6 Interest Receivables

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

## 4.7 Trade and Other Receivables

This mainly includes contribution in arrears, loans and interest.

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

## 4.8 Expenses

All expenses incurred are accrued in the accounts.

## 4.9 Capital Commitments

Management has renewed for a further three-year period rental agreement as from 09 July 2018. Rental payable under operating leases are recognized to the Statement of Financial Performance on an accrual basis.

## 4.10 Critical accounting and key sources of estimation uncertainty

In the application of the Tourism Employees Welfare Fund's accounting policies, as described in the note above, 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.

# Notes to the Financial Statements

Year Ended 30 June 2020

## 5 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.

### 5.1 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.

### 5.2 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.

### 5.3 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 longterm deposit at a fixed interest rate rather than short term investment at floating rates.

# Notes to the Financial Statements

Year Ended 30 June 2020

## 6 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 2019	34,906,938	1,414,509	471,876	1,189,589	1,428,000	39,410,912
Additions	5,238	9,700	4,399	-	-	19,337
<b>30 June 2020</b>	<b>34,912,176</b>	<b>1,424,209</b>	<b>476,275</b>	<b>1,189,589</b>	<b>1,428,000</b>	<b>39,430,249</b>
<b>DEPRECIATION</b>						
1 July 2019	-	1,216,985	429,204	810,211	831,957	3,288,357
Charge for the year	-	160,029	17,946	81,231	142,800	402,006
<b>30 June 2020</b>	<b>-</b>	<b>1,377,014</b>	<b>447,150</b>	<b>891,442</b>	<b>974,757</b>	<b>3,690,363</b>
<b>CARRYING AMOUNT</b>						
30 June 2020	34,912,176	47,195	29,125	298,147	453,243	35,739,886
30 June 2019	34,906,938	197,524	42,672	379,378	596,043	36,122,555

## 7 INTANGIBLE ASSETS

### Computer Software

Rs

#### COST

1 July 2019 751,956

Additions 100,000

Written -off (67,000)

**30 June 2020 784,956**

#### AMORTISATION

1 July 2019 449,283

Charge for the year 191,489

Written -off (67,000)

**30 June 2020 573,772**

#### CARRYING AMOUNT

30 June 2020 **211,184**

30 June 2019 **302,673**

# Notes to the Financial Statements

Year Ended 30 June 2020

## 8 RETIREMENT BENEFIT OBLIGATIONS

	Year ended 30 Jun 2020	Year ended 30 Jun 2019
	Rs	Rs
<b>Defined Benefit Pension Plan</b>		
<b>Amounts recognised in Statement of Financial Position at end of year:</b>		
Defined benefit obligation	12,398,644	8,574,186
Fair value of plan assets	(9,508,407)	(7,296,011)
<b>Liability recognised in Balance Sheet at end of year</b>	<b>2,890,237</b>	<b>1,278,175</b>
<b>Amounts recognised in Income Statement:</b>		
Service cost:		
Current service cost	702,344	518,055
Past service cost	-	-
(Employee contributions)	(276,304)	(271,979)
Fund expenses	16,420	60,418
Net Interest expense/(income)	20,905	101,141
P & L Charge	463,365	407,635
<b>Remeasurement</b>		
Liability (gain) / loss	2,131,085	(517,460)
Assets (gain) / loss	(432,804)	99,856
Total Other Comprehensive Income (OCI) recognised in staff cost	1,698,281	(417,604)
<b>Total</b>	<b>2,161,646</b>	<b>(9,969)</b>
<b>Movements in liability recognised in Statement of Financial Position:</b>		
At start of year	1,278,175	1,795,837
Amount recognised in P & loss (Contributions paid by employer)	463,365 (549,584)	407,635 (507,693)
Amount recognised in OCI	1,698,281	(417,604)
At end of year	<b>2,890,237</b>	<b>1,278,175</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.

# Notes to the Financial Statements

Year Ended 30 June 2020

## 8 RETIREMENT BENEFIT OBLIGATIONS (Continued)

	Year ended 30 Jun 2020	Year ended 30 Jun 2019
	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	8,574,186	8,028,901
Current service cost	702,344	518,055
Interest cost	330,106	562,023
(Benefits paid)	660,923	(17,333)
Liability (gain)/loss	2,131,085	(517,460)
Present value of obligation at end of period	12,398,644	8,574,186
<b>Reconciliation of fair value of plan assets</b>		
Fair value of plan assets at start of period	7,296,011	6,233,064
Expected return on plan assets	309,201	460,882
Employer contributions	549,584	507,693
Employee contributions	276,304	271,979
(Benefits paid + other outgo)	644,503	(77,751)
Asset gain/(loss)	432,804	(99,856)
Fair value of plan assets at end of period	9,508,407	7,296,011
<b>Distribution of plan assets at end of period</b>		
<i>Percentage of assets at end of year</i>	<b>Jun-20</b>	<b>Jun-19</b>
Government securities and cash	61.7%	58.7%
Loans	3.0%	3.4%
Local equities	10.1%	13.1%
Overseas bonds and equities	24.6%	24.2%
Property	0.6%	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-20</b>	<b>Jun-19</b>
Assets held in the entity's own financial instruments	(%)	(%)
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-20</b>	<b>Jun-19</b>
Currency	Rs	Rs
Asset experience gain/(loss) during the period	432,804	(99,856)
Liability experience gain/(loss) during the period	(2,131,085)	517,460
	(1,698,281)	417,604
Year	<b>2020/2021</b>	
Expected employer contributions (Estimate to be reviewed by Tourism Employees Welfare Fund)	574,459	
Weighted average duration of the defined benefit obligation (Calculated as a % change in PV of liabilities for a 1% change in discount rate)	22 years	

# Notes to the Financial Statements

Year Ended 30 June 2020

## 8 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 Jun 2020	Year ended 30 Jun 2019
Discount rate	3.85%	7.00%
Future salary increases	2.40%	4.50%
Future pension increases	1.40%	3.50%
Mortality before retirement	A 6770 Ultimate Tables	
Mortality in retirement	PA (90) Tables	
Retirement Age	As per second Schedule in the Statutory Bodies Pension Funds Act	

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 2.4M (increase by Rs 3.1M) 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 2.0M (decrease by Rs 1.7M) if all assumptions were held unchanged.
- If life expectancy would increase (decrease) by one year, the defined benefit obligation would increase by Rs 0.34M (decrease by 0.34M) if all assumptions were held unchanged.

In reality one might expect interrelationships between the assumptions, especially between 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.



# Notes to the Financial Statements

Year Ended 30 June 2020

## 9 LOANS RECEIVABLES

Items	Year ended	Year ended
	30 Jun 2020	30 Jun 2019
	Rs	Rs
Multipurpose	57,945,340	61,563,551
Computer	172,152	176,647
Motorcycle	4,195	19,759
SC / HSC Loan	25,642	25,642
Educational Loan	16,228	23,357
Travel Loan	2,130,069	702,032
Loan Educational	29,161	29,161
	<b>60,322,787</b>	<b>62,540,149</b>

## 9 LONG TERM LOANS RECEIVABLES

	Year ended	Year ended
	30 Jun 2020	30 Jun 2019
	Rs	Rs
Total loans	60,322,787	62,540,149
Provision for Bad Debt	(1,809,683)	(1,875,330)
	<b>58,513,104</b>	<b>60,664,819</b>
Less amount receivable within one year	36,587,920	30,446,592
Amount receivable after one year	21,925,184	30,218,227

# Notes to the Financial Statements

Year Ended 30 June 2020

## 10 INVENTORIES

Items	Year ended	Year ended
	30 Jun 2020	30 Jun 2019
	Rs	Rs
Repairs & Maintenance- Office Equipment	-	63,911
Printing & Stationery	-	14,167
<b>Total</b>	<b>-</b>	<b>78,078</b>

## 11 ACCOUNTS RECEIVABLE

Items	Year ended	Year ended
	30 Jun 2020	30 Jun 2019
	Rs	Rs
Contribution in arrears	2,935,128	2,010,327
Car Loan Receivable	855,562	1,134,309
Salary & Board Member Refund	29,850	100,754
Sundry Receivables & Prepayments	230,852	305,742
Contribution receivable within 1 year	592,503	125,967
<b>Total</b>	<b>4,643,895</b>	<b>3,677,099</b>

## 12 LONG TERM EMPLOYEE BENEFITS

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

Items	Year ended	Year ended
	30 Jun 2020	30 Jun 2019
	Rs	Rs
Sick leave benefits	1,972,900	1,914,650
Provision for Vacation Leaves Refund	2,058,158	1,832,789
<b>Amount due after one year</b>	<b>4,031,058</b>	<b>3,747,439</b>

# Notes to the Financial Statements

Year Ended 30 June 2020

## 13 ACCOUNTS PAYABLE

Items	Year ended	Year ended
	30 Jun 2020	30 Jun 2019
	Rs	Rs
Other payables and accruals	71,775	442,729
Contribution prepaid	88,000	159,520
Contribution & Loan Overpaid	486,056	544,378
Interest, Admin & Insurance Receivable on Loan	2,199,319	3,321,092
Passage Benefits	406,895	417,409
Audit fees	325,000	325,000
<b>Total</b>	<b>3,577,045</b>	<b>5,210,128</b>

## 14 OTHER INCOME

Items	Year ended	Year ended
	30 Jun 2020	30 Jun 2019
	Rs	Rs
Interest received on Loans	4,990,744	3,581,595
Interest Received on car loan	39,489	37,465
Administration fees	665,484	1,126,273
Penalty on Contribution	196,931	227,682
Sundry income	105,063	57,027
Gain in Pension Fund	-	517,662
Insurance	310,590	524,187
<b>Total</b>	<b>6,308,301</b>	<b>6,071,891</b>

# Notes to the Financial Statements

Year Ended 30 June 2020

## 15 GRANT SCHEMES

Items	Year ended 30 Jun 2020	Year ended 30 Jun 2019
	Rs	Rs
Marriage Gift	1,162,000	1,444,000
CPE Grant	-	3,000
Death Grant	260,000	260,000
Death Grant Dependant Relative	120,000	130,000
Training	79,984	310,000
Leisure Activities	714,435	1,099,237
SC Grant	75,000	105,000
HSC Grant	30,000	70,000
Laureate Gift	40,000	20,000
Scholarship Grant	175,300	509,950
Parental Gift	1,359,000	1,691,000
Retirement Gift	2,030,000	727,000
Special Medical Assistance	100,000	200,000
<b>Total</b>	<b>6,145,719</b>	<b>6,569,187</b>

## 16 STAFF COSTS

Items	Year ended 30 Jun 2020	Year ended 30 Jun 2019
	Rs	Rs
Salaries	4,850,298	4,699,080
Allowances to officers	283,030	275,530
End of year Bonus	398,215	384,965
Gratuity and Passage Benefits	214,284	240,362
Travelling Expenses	564,935	652,073
Uniforms	14,595	16,875
Overtime	25,596	32,371
NPS Contributions	86,974	86,112
FPS Contributions	93,348	90,659
Sicom Pension Fund	2,169,127	507,693
Vacation Leave	225,368	88,832
Sick leave	336,745	310,825
Staff Medical Insurance	129,399	128,660
Staff training	10,000	13,000
<b>TOTAL</b>	<b>9,401,914</b>	<b>7,527,037</b>

# Notes to the Financial Statements

Year Ended 30 June 2020

## 17 ADMINISTRATIVE EXPENSES

Items	Year ended	Year ended
	30 Jun 2020	30 Jun 2019
	Rs	Rs
Donations	10,000	38,000
Allowance to Board Members	262,989	257,402
Board Expenses & Travelling	5,024	9,062
Overseas Travel	-	221,464
Rodrigues Expenses	297,940	412,060
Media and Communications	261,540	436,359
Rent	1,200,336	1,175,308
Cleaning Expenses	49,557	54,535
Printing, Postage and Stationery	85,857	51,956
Bank interest and charges	25,840	22,297
General Expenses	2,170	3,623
Electricity	272,272	309,287
Water	3,145	4,255
Repairs & Maintenance	648,390	422,336
Motor Vehicles Expenses	67,452	144,609
Legal, Professional, Subscription and Membership Fees	134,895	131,550
Entertainment	54,167	8,242
Advertising and promotion	-	66,273
Insurance	329,827	596,300
Staff Welfare	72,417	98,707
Audit fees	125,000	215,000
Provision for Bad Debts/Bad Debt Written-off	37,886	423,368
Licenses	34,444	319,285
Magazines & Newspapers	2,985	4,030
<b>Total</b>	<b>3,984,133</b>	<b>5,425,308</b>



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