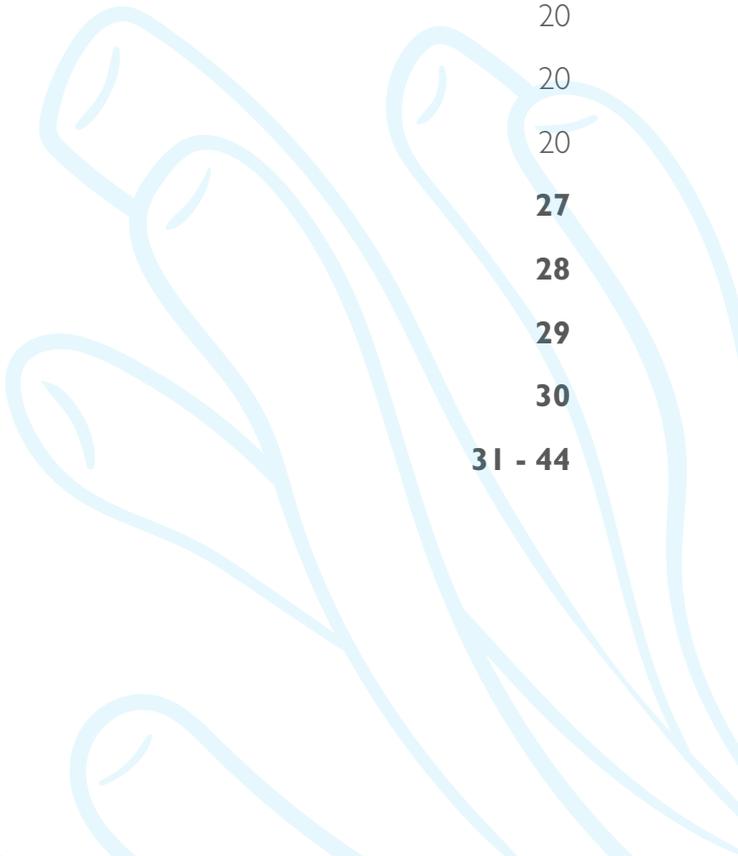


# ANNUAL REPORT 2019

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# Message from the Chairperson

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It gives me immense pleasure to associate myself with the presentation of the annual Report 2019. It provides me with the opportunity 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 toward 8.6% in GDP, 10% in employment and 8% of total investment. Tourism has a direct impact on the socio-economic development of the country creating more than 40,000 direct employment in the sector in 2018 out of which 31.5% were in accommodation, 24.2% in restauration, 9.6% in transport and 7.3% in recreation and leisure management. At least 2600 persons were employed in the small and medium hotels of less than 10 rooms.

In 2019, Tourist arrival from all the traditional European markets registered a positive growth and with the outcome of direct flight, Tourist arrivals from the Netherlands increased by 23.7% and Saudi Arabia by 22.1%.

It is therefore important for the employees to mitigate the language and cultural differences between our countries so that our clients are given a unique Mauritian experience. During the past years the TEWF had exposed the front liners in the hospitality industry to Chinese language and Chinese culture and now we are focusing our attention to those markets experiencing high growth potential.

On a concluding note, I would like to convey my heartfelt thanks to all the Board members and the staff of the TEWF for their invaluable support in the implementation of policies, projects and programs to cater for the welfare of the employees of the Tourism sector and their families.

A handwritten signature in black ink that reads "Narain". The signature is stylized and written in a cursive-like font.

**C.R. Narain OSK**  
Chairperson

# Message from the Secretary

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In line with its mandate, the Tourism Employees Welfare Fund (TEWF) has implemented a wide range of social, educational, financial and leisure schemes to cater for the needs of the employees of the tourism sector and their families.

The TEWF had continued to grant loan to the employees of tourism enterprises at low rate of interest. Various leisure and welfare activities such as Sports tournaments and outdoor activities were organized involving the participation of many employees of the tourism sector and their families. In a bid to improve their overall quality of life, the TEWF encourages employees in the tourism sector through the self-development programs to improve their professional capabilities. We have during the course of this year purchase a plot of land to the extent of 7 arpents at Arsenal on which development project will soon start for the benefit of our members.

The TEWF has implemented an on line application system in order to provide our members with a quality service within a minimum waiting time. We want to treat them the way we want others to treat us. We encourage our members to give us their feedback and share their experience on their participation in the activities of the

TEWF as we want to give every person a little moment of joy and happiness.

At the TEWF we offer almost the same services and schemes offered by other welfare Funds but we do the same thing differently. As per our customer charter, our members are paid for any scheme they applied within 10 days from the receipt of their completed applications form. All our staffs are subject to a continuous performance appraisal through different set of performance indicators so as to satisfy our client at minimum time.

I seize this opportunity to express my sincere thanks and gratitude to the TEWF's Board for their support and guidance which have enabled us to meet the objectives set out by the TEWF Act 2002 and deliver up to the expectation of our stakeholders.

**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
- 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.

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

<b>Chairperson</b>	Mr Claude Regis Narain OSK
<b>Representatives of Ministries</b>	
<b>Mr R. Moolye</b>	Representative of Ministry of Tourism
<b>Mrs K. Babajee</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, Industrial Relations & Employment
<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>Mr Furcy</b>	Representative of the Air Mauritius Staff Association
<b>Mr P. S. Dabedeen</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 Human Resource 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:

**Mr R. Moolye (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:

**Mr R. Moolye (Chairperson)** – Representative of the Ministry of Tourism

### Members:

Mr V. K. Mudhoo - Representative of the Ministry of Labour, Industrial Relations and Employment

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

	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
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 Kumar	Office Attendant/Driver

## 3.2 Senior 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, Accountant, Tourism Employees Welfare Fund

**Professional Qualification:** ACCA

**Previous Post held:** Accounting Technician, State Trading Corporation.

**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

**Previous Post held:** Leisure Officer (Ministry of Tourism & Leisure)

### (iv) Mrs Neetoo Agasing Sewdin, 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.

## 3.3 Training of Staff

Mrs N. Sewdin and Ms N. Jiloo attended a workshop in IRFS 16 by MIPA on 16th April 2019.

Mrs Y. Ramyead and Ms C. Goonjul attended a workshop on sustainable development organized by the Tourism Authority under the SUS – island (Sustainable Island Mauritius) on 18th April 2019

## 3.4 On job Placement

The following persons were on job placement at the TEWF for the period 1<sup>st</sup> July 2018 to 30<sup>th</sup> June 2019:

1. Miss S. Ramdhian
2. Miss Vrindana Kolly Appadoo
3. Mr Bungloll Girish Akash Singh
4. Miss Teshna Hurrydoss <http://www.govmu.org/English/ExploreMauritius/PublishingImages/CoatofArmssm.png>

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

## 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 105,000 has been disbursed for the period July 2018 to June 2019.

#### **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 Rs70,000 had been paid for the period July 2018 to June 2019.

#### **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. One student had benefitted from the scheme in 2019.

#### **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 10,000 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. This is payable where the employee had successfully completed an award certificate/ diploma/ degree.

## 4.2 Social Schemes

### Retirement Gift

A retirement gift is payable to an employee who retires voluntarily from the Tourism sector, after attaining 55 years and contributed to the Fund on a continuous basis for 15 years.

The gift is payable to an employee who retires, before the age of 55 on grounds of permanent incapacity to perform his work and such incapacity is duly certified by a government medical practitioner. An amount of Rs 727,000 had been paid for the period July 2018 to June 2019.

### Death Grant-Employee

The Death Grant is of an amount of Rs 10,000 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 at the time of death or on the presentation of an affidavit of the deceased employee.

### Death Grant for Dependent Relative

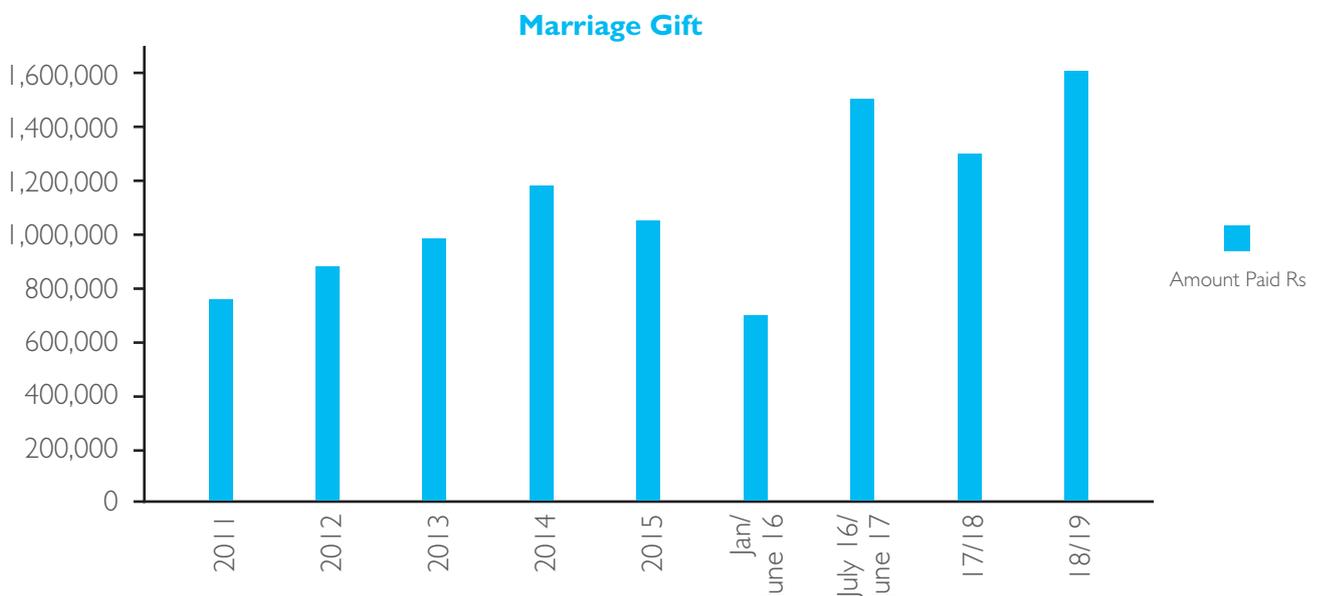
A Death Grant for Dependent Relatives of Rs 5,000 is payable to an employee whose dependent relative have passed away. Dependent relative includes spouse or a retired husband and child under 18 or a child over 18 following full time education or who cannot earn a living because of a physical or mental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

### Expenses on Death Grant/ Death Grant Dependent

	2014	2015	Jan/ June 2016	July 2016 / June 2017	July 2017/ June 2018	June 2018/ July 2019
Employee	260,000	200,000	230,000	250,000	290,000	260,000
Dependant Relative	155,000	145,000	7,080,000	90,000,000	110,000	130,000

### Marriage Gift Scheme

The Marriage Gift which is of Rs 4,000 is payable to employees contributing to the Fund for at least one year on their getting civilly married for the first time.



## 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 1,691,000 had been disbursed from July 2018 to June 2019.

## 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 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	2014	2015	Jan to June 2016	July 2016 to June 2017	July 2017 to June 2018	July 18 to June 19
Multipurpose	14,332,990	2,594,000	16,020,000	28,710,000	19,360,000	36,600,000
Computer	103,184	30,000		30,000		
Educational	20,000	10,000	40,000	80,000	20,000	70,000
Motor Cycle	787,258	150,000	50,000			
Travel Loan			200,000	1,000,000	2,050,000	800,000
<b>TOTAL</b>	<b>15,243,432</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>

## 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 2018

30 Teams were enlisted for the Football Festival in the year 2018. Eighty matches were played overall in four days of competition. The winner was Le Meridien; Four season was the second runner up and Sun Resort (Head Office) finished third. They were awarded a cash prize of Rs 25,000, Rs 20,000 and Rs 15,000 respectively.



*Winner of TEWF Football tournament 2018-Le Meridien Hotel*

### 6.2 TEWF Mixed Volleyball Tournament 2018

24 hotels have participated in the TEWF Mixed Volleyball Tournament 2018 which was held at the Pandit Sahadeo Gymnasium. The Finals were played on Sunday 15<sup>th</sup> July 2018. The winner was Shandrani Resort and the runner up was Zilwa Attitude. Airports of Mauritius Ltd (AML) was placed third.

### 6.3 Mixed Petanque Tournament 2018

The TEWF Mixed Pétanque Tournament was held on Sunday 2<sup>nd</sup> September 2018 at the Boulodrome of Quorum at Plaisance Rose-Hill. Overall 25 Teams registered for this competition. The winner was Long Beach, the runner up was Casino of Mauritius and second runner up was Constance Prince Maurice.

### 6.4 Mixed Domino Tournament 2018

The TEWF Mixed Domino Tournament 2018 was held on Sunday 23<sup>rd</sup> of September at Activity Hall of Coromandel Community Centre, Coromandel. 25 institutions were enlisted for this competition. The winner was Le Meridien, the runner up was AML and second runner up was Long Beach.

## 6.5 TEWF Badminton Tournament

The first TEWF Badminton Tournament was held on Sunday 5<sup>th</sup> of August 2018 at Navin Soonarane Gymnasium situated at the Cybercity. The winners were as follows;

Category	1 <sup>st</sup> Place	2 <sup>nd</sup> Place
Men's Singles	Trou aux Biches Resort	AML
Women's Singles	Attitude Hospitality Mgt Ltd	Lux Grand Gaube
Men's Double	AML Ltd	Lux Grand Gaube
Women's Double	Attitude Hospitality Mgt Ltd	Outrigger Resort
Mixed Doubles	Lux Grand Gaube	Attitude Hospitality Mgt Ltd

## 7.0 “Long Culinary Service to the Tourism Industry” Award Ceremony

The Tourism Employees Welfare Fund in collaboration with the Mauritius Chefs Association organized the Award Ceremony for “Long Culinary Service to the Tourism Industry”. The ceremony was held on Saturday 18<sup>th</sup> of August at Ambre Hotel. The following chefs have been awarded the “Long Culinary Service to the Tourism Industry” for the year 2018

- **Jaumeer Swaleh Mamode**
- **Boyjoonauth Mesh**
- **Gookoolah Ravi**
- **Carnel Simon Donald**
- **Boodan Vinit Sharma**
- **Rughoobur Sanjay**
- **Noel Appadu**
- **Abdool Ferose-Khan**



*“Long Culinary Service to the Tourism Industry”- Mr Carnel Simon Donald*

## 8.0 Perfect Guest Welcoming Experience @ Front Office, Housekeeping Competition, Cocktail, Vegetable/Fruit carving & Best Barista 2018

The winners of the respective competition were as follows;

Competition	Winner	Runner up	Second Runner Up
<b>TEWF HOUSEKEEPING COMPETITION 2018</b>	Westin Turtle Bay	Veranda Paul et Virginie	Club Med Albion
<b>PERFECT GUEST WELCOMING @ FRONT OFFICE COMPETITION</b>	Constance Belle Mare Plage	Four Seasons	Constance Prince Maurice
<b>TEWF FRUIT/VEGETABLE CARVING COMPETITION</b>	Le Canonnier	Ambre Resort	La Pirogue
<b>TEWF COCKTAIL COMPETITION</b>	Constance Prince Maurice	Solana Beach Resort	Ambre Hotel
<b>TEWF BEST BARISTA 2018</b>	One&Only Le Saint Géran	Le Meridien	Le Canonnier Hotel & St Regis



Fruit/vegetable carving held at Caudan Waterfront



TEWF Cocktail Competition

## 9.0 TEWF Pastry Chef Challenge 2018

The TEWF Pastry Chef Challenge 2018 were held on Saturday 17<sup>th</sup> November 2018 at MITD Ecole Hôtelière Sir Gaëtan Duval. The winner was La Pirogue Resort, the runner up was Long Beach Hotel while the second runner up was Shandrani Hotel.



### 9.1 TEWF Discount Vouchers

Members of TEWF and their families benefited from a special discount from Mauritius Aquarium, 'L'aventure Du Sucre' and Domaine de L'Etoile. Vouchers were sent to all tourism enterprises by mail so that it may be printed, stamp and shared between employees and their families

## 10.0 TEWF Activities at Rodrigues from 22<sup>nd</sup> Oct to 29<sup>th</sup> Oct 2018

**10.1** The TEWF had organized two training courses in Rodrigues namely in Pastry Production & Housekeeping Operations as well as the training for Rodrigues Chef Challenge from Tuesday 23<sup>rd</sup> to Friday 26<sup>th</sup> October 2018.



Launching of courses in Rodrigues at Vatel Hotel School Rodrigues

## 10.2 Rodrigues Housekeeping Operation Course & Competition

The TEFW Housekeeping Operation Course was held at Coco Villas from Tuesday 23<sup>rd</sup> to Thursday 26<sup>th</sup> October 2018. The Housekeeping Competition was held on Friday 26<sup>th</sup> of October with 16 participants coming from hotels, guest house and 'gites'. The winner was Mourouk Ebony, the runner up was Cotton Bay Resort and second runner up was Auberge St Francois. A special Jury Prize was given the representative of La belle Paysanne.



Winner Housekeeping competition-Mrs Marie Emilie Edouard

### 10.3 Rodrigues Chef Challenge 2018

The Rodrigues Chef Challenge 2018 was held on Saturday 27 of October at La Residence Port Mathurin. The results were as follows:

#### Special Jury Prize

Best Starter – Sunita Albert

Best Main Course – Larose Rosemonde

Best Dessert – Clair Jean Noel



Winner: Larose Rosemonde (Cotton Bay Hotel)

Third Place: Clair Jean Noel  
**Mourouk Ebony Hotel**

Second Place: Sunita Albert  
**Restaurant Manze La caze**

Winner: Larose Rosemonde  
**Cotton Bay Hotel**

### 10.4 TEWF Pastry Production

The Pastry production course was held at cotton bay hotel from Tuesday 23<sup>rd</sup> to Friday 26<sup>th</sup> October 2018. 18 Participants from various tourism enterprises in Rodrigues took part in this training. A pastry buffet was organized by the participants at La Residence Port Mathurin.



Participants in pastry production course

## 10.5 TEWF Website – www.tewf.mu

The Hon Minister of Tourism Hon Anil kumarsingh Gayan SC had launched the new TEWF website (tewf.mu) on the 17<sup>th</sup> November 2018 during an award giving ceremony at the Sir Gaetan Duval Hotel School of Mauritius.

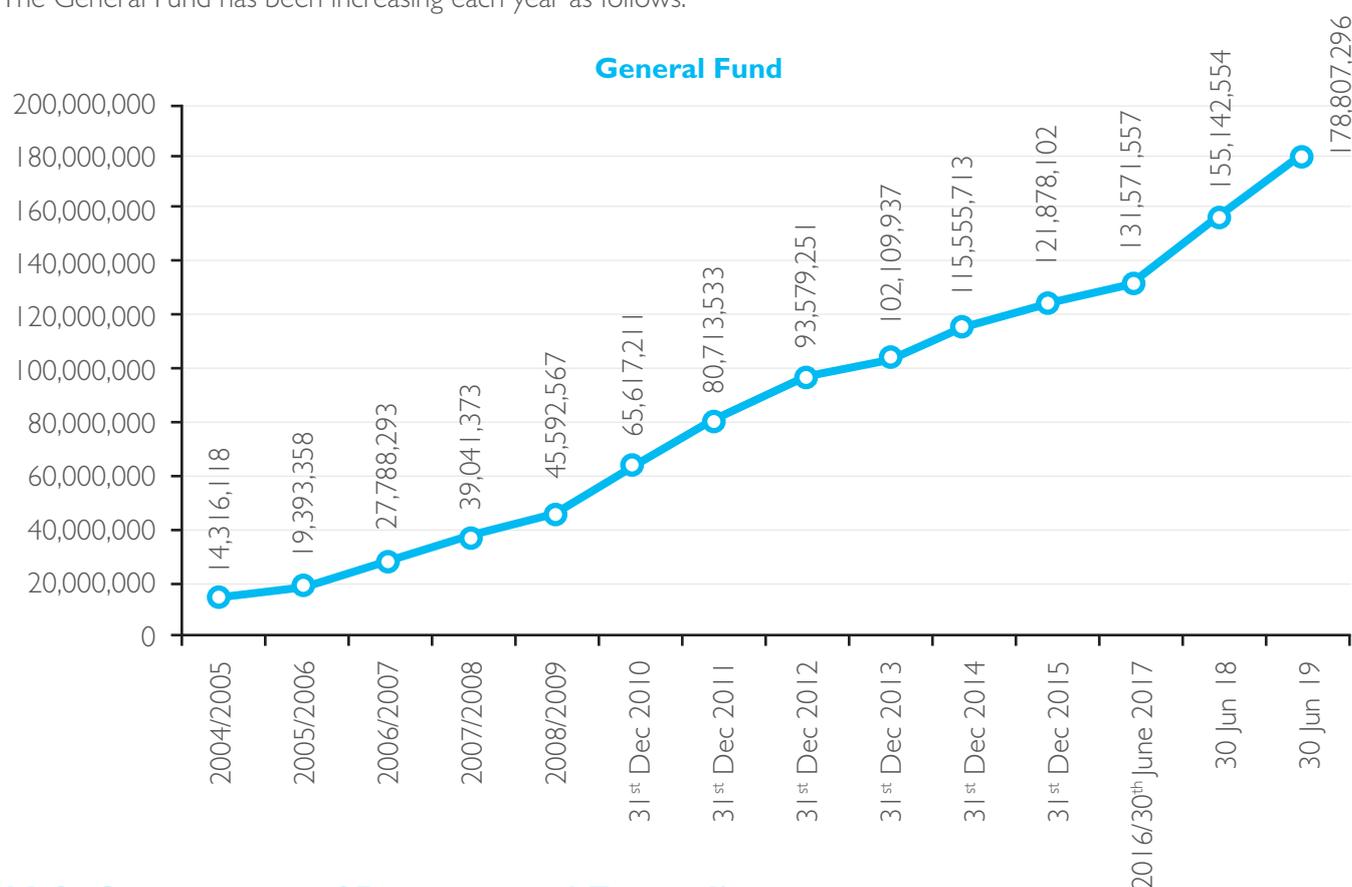
The website is user friendly and enable members to apply on line for all schemes and loans to which they are entitled.

## 11.0 Financial Results

The Financial Statement for the year ended 30<sup>th</sup> June 2019 shows a total income of Rs 43,819,461 compared to a total expenditure of Rs 20,154,719. The surplus of income over expenditure amounted to Rs 23,664,742.

### 11.1 General Fund

The General Fund has been increasing each year as follows:



### 11.2 Statements of Revenue and Expenditure

#### Statement of Revenue 1st July 2018 to 30th June 2019

Revenue (RsM)	2017-2018 Actual	2018-2019 Estimates	2018-2019 Actual
Property Income			
Sales of Services	37,733,262	31,680,000	37,747,570
Fines, Penalties and Forfeits	229,538	-	227,682
Miscellaneous Revenues	3,326,325	-	5,844,209
<b>Total Revenue</b> from Income, User fees and other sources	<b>41,289,125</b>	<b>31,680,000</b>	<b>43,819,461</b>

## Statement of Expenditure 1<sup>st</sup> July 2018 to 30<sup>th</sup> June 2019

Head/ Sub-Head of Expenditure (Rs Million)	2017-2018 Actual	2018-2019 Estimates	2018-2019 Actual
Compensation of Employees	7,334,072	8,467,682	7,527,037
Goods and Services	3,101,312	4,809,655	5,425,308
Subsidies			
Grants			
Social Benefits	6,715,174	13,040,000	6,569,187
Other expenses	567,570	2,181,600	633,187
Acquisition of Non- Financial Assets	447,315	1,400,000	35,196,879
Acquisition of Financial Assets			
<b>Total</b>	<b>18,165,443</b>	<b>29,898,937</b>	<b>55,351,598</b>

### 11.3 Strategic Positioning

The TEWF is planning to construct during the next financial year a Multipurpose building on a plot of land to the extent of 6 arpent 78 purchased from Terragri Ltd at Arsenal. A sum of Rs100m had been budgeted for this building which would build in phases. The cost implications have been included as follows:

DETAILS	ESTIMATES JUL 19 TO JUN 20	ESTIMATES JUL 20 TO JUN 21	ESTIMATES JUL 21 TO JUN 22
	Total Rs	Total Rs	Total Rs
<b>INCOME</b>			
CASH AND CASH EQUIVALENT (30.06.19)	88,197,814	56,886,780	30,519,372
CONTRIBUTION	33,600,000	33,600,000	33,600,000
RENTAL OF MULTIPURPOSE BUILDING	-	6,500,000	10,400,000
<b>GRAND TOTAL</b>	<b>121,797,814</b>	<b>96,986,780</b>	<b>74,519,372</b>
<b>ALL COSTS FINANCED BY INCOME</b>			
PERSONAL EMOLUMENTS	8,230,643	8,665,017	9,219,258
TRAVELLING & TRANSPORT	680,400	680,400	680,400
<b>TOTAL STAFF COSTS</b>	<b>8,911,043</b>	<b>9,345,417</b>	<b>9,899,658</b>
TOTAL INDIRECT COSTS	4,949,991	5,171,991	5,358,991
TOTAL SCHEMES	7,950,000	9,350,000	9,575,000
TOTAL LEISURE MANAGEMENT PROGS.	2,400,000	2,000,000	2,250,000
<b>OPERATING COST</b>	<b>24,211,034</b>	<b>25,867,408</b>	<b>27,083,649</b>
CONSTRUCTION OF MULTIPURPOSE BUILDING	40,000,000	40,000,000	20,000,000
PURCHASE OF OFFICE EQUIPMENTS	200,000	300,000	400,000
PURCHASE OF FURNITURE AND FITTINGS	200,000	200,000	200,000
PURCHASE OF COMPUTER EQUIPMENT	200,000	100,000	100,000
<b>PURCHASE OF COMPUTER SOFTWARE</b>	<b>100,000</b>	<b>-</b>	<b>-</b>
<b>TOTAL EXPENDITURE</b>	<b>64,911,034</b>	<b>66,467,408</b>	<b>47,783,649</b>
SURPLUS / DEFICIT	56,886,780	30,519,372	26,735,723

## 11.4 Attendance at Meetings/Fees Paid

The Board met on 8 occasions during the period 1st July 2018 to 30 June 2019, while the Finance Committee met for 1 sitting. The attendance of the individual members and fees paid were as follows:-

	NAME OF MEMBERS	Board Meeting	Finance Cmttee	Amount paid
Chairman	Mr Claude Narain	8		173,490
Representative of Ministry of Tourism	Mr R. Moolye	7	1	7,350
Representative of the Ministry of Defence and Rodrigues	Mrs K. Babajee	4		3,560
Representative of the Ministry of Finance and Economic Development	Mrs Nunkoo-Puttur	5	1	5,265
Representative of the Ministry of Labour, Industrial Relations & Employment	Mr V. K. Mudhoo	4		3,560
President Association of Tourist Professionals	Mr. D. Saramandif	4	1	4,375
President Association of Tourist Operators	Mr C. Jhurry	5		4,450
Representative of AIOM	Mr C. Angseesing	1		890
	Aurelie Leste	3		2,670
Representative of AHRIM	Mr Vikash Aodhoora	8		7,120
Representative of the Casino Workers Union	Mr R. Gopaul	8		7,120
Representative of the Air Mauritius Staff Association	S.Furcy	5		4,450
Representative of Airports of Mauritius (Ltd) Employees Union	Mr P.S.Dabedeen	4		3,560
Representative of Hotels & Restaurants Employees Union	Mr Keswar Gujudhur	5		4,450

## 12.0 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 judgment and estimates have been used consistently;
- Applicable accounting standards have been adhered to;
- The code of corporate Governance has been adhered to.

## 13.0 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 judgment 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.

## 14.0 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.

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.

## 15.0 Auditors

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



**C. R. Narain OSK**  
Chairperson



**Mr V. K. Mudhoo**  
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 2019

**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 2019 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 2019, 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.

### 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.

# Report of the Director of Audit

to The Board of The Tourism Employees Welfare Fund

## **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.

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.

# Report of the Director of Audit

## to The Board of The Tourism Employees Welfare Fund

- 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.

# Report of the Director of Audit

to The Board of The Tourism Employees Welfare Fund

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.

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 accounts of Tourism Employees Welfare Fund, nothing has come to my attention that indicates that:

- (a) any 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.



Director of Audit

National Audit Office  
Level 14,  
Air Mauritius Centre  
PORT LOUIS

31 August 2020



# Financial Statements

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For the year ended  
30 June 2019

# Statement of Financial Position

as at 30 June 2019

		30-Jun-19	30-Jun-18
	Notes	Rs	Rs
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
PROPERTY, PLANT AND EQUIPMENT	6	36,122,555	1,530,659
INTANGIBLE ASSETS	7	302,673	330,877
LOANS RECEIVABLES	9	30,218,227	26,118,591
		<b>66,643,455</b>	<b>27,980,127</b>
<b>CURRENT ASSETS</b>			
INVENTORIES	10	78,078	58,067
ACCOUNTS RECEIVABLE	11	3,677,099	3,971,376
LOANS RECEIVABLES	9	30,446,592	20,526,776
CASH AND CASH EQUIVALENTS		88,197,814	113,819,897
		<b>122,399,583</b>	<b>138,376,116</b>
<b>TOTAL ASSETS</b>		<b>189,043,038</b>	<b>166,356,243</b>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
GENERAL FUND		178,807,296	155,142,554
<b>TOTAL EQUITY</b>		<b>178,807,296</b>	<b>155,142,554</b>
<b>NON CURRENT LIABILITIES</b>			
LONG TERM EMPLOYEE BENEFITS	12	3,747,439	3,604,953
RETIREMENT BENEFIT OBLIGATIONS	8	1,278,175	1,795,837
		<b>5,025,614</b>	<b>5,400,790</b>
<b>CURRENT LIABILITIES</b>			
ACCOUNTS PAYABLE	13	5,210,128	5,812,898
		<b>5,210,128</b>	<b>5,812,898</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>189,043,038</b>	<b>166,356,242</b>

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

# Statement of Financial Performance

Year Ended 30 June 2019

		Year Ended 30 Jun 2019	Year Ended 30 Jun 2018
	Notes	Rs	Rs
<b>INCOME</b>			
CONTRIBUTIONS		37,747,570	37,733,262
OTHER INCOME	14	6,071,891	3,555,863
<b>TOTAL INCOME</b>		<b>43,819,461</b>	<b>41,289,125</b>
<b>EXPENDITURE</b>			
GRANT SCHEMES	15	6,569,187	6,715,174
STAFF COSTS	16	7,527,037	7,334,072
ADMINISTRATIVE EXPENSES	17	5,425,308	3,101,312
DEPRECIATION AND AMORTISATION EXPENSES	6&7	633,187	567,570
<b>TOTAL EXPENDITURE</b>		<b>20,154,719</b>	<b>17,718,128</b>
<b>PROFIT FOR THE YEAR</b>		<b>23,664,742</b>	<b>23,570,997</b>

# Statement of Changes in Equity

Year Ended 30 June 2019

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

# Statement of Cash Flows

Year Ended 30 June 2019

	Year Ended 30 Jun 2019	Year Ended 30 Jun 2018
	Rs	Rs
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Surplus/ (Deficit)	23,664,742	23,570,997
Adjustment for:		
Depreciation and amortisation expense	633,187	567,570
Provision for bad debt	1,875,330	1,451,962
Longterm Employee Benefits	142,486	206,509
Retirement Benefit Obligation	(517,662)	(52,419)
Interest Receivable	(3,581,595)	(2,304,412)
<b>Operating Surplus/ (Deficit) before Working Capital changes</b>	<b>22,216,488</b>	<b>23,440,207</b>
<b>Changes in Working Capital:</b>		
(Increase)/Decrease in Receivables	294,276	102,634
(Increase)/Decrease in loan Receivables	(15,894,781)	(3,893,657)
(Increase)/ Decrease in Inventories	(20,011)	(279)
Increase/(Decrease) in Payables	(602,770)	(1,878,710)
<b>NET CASH GENERATED FROM OPERATIONS</b>	<b>5,993,202</b>	<b>17,770,195</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, plant and Equipment	(35,196,879)	(447,315)
Proceeds from Investment	-	38,500,000
Interest Received	3,581,595	2,304,412
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(31,615,284)</b>	<b>40,357,097</b>
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENT</b>	<b>(25,622,082)</b>	<b>58,127,293</b>
CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE YEAR	113,819,897	55,692,604
<b>CASH AND CASH EQUIVALENT AT THE END OF THE YEAR</b>	<b>88,197,814</b>	<b>113,819,897</b>

# Notes to the Financial Statements

Year Ended 30 June 2019

## **I 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 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 SIGNIFICANT 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 2019

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 of Rs 34,906,938, was purchased at Arsenal for future development.

## 4.2 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by First In First Out method (FIFO). Net realizable value is the estimate of the selling price in the ordinary course of business, less selling expenses.

## 4.3 Cash and Cash Equivalents

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

## 4.4 Retirement and Other Benefit Obligations

### 4.4.1 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 2019

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.

## **4.4.2 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 2019.

## **4.4.3 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.

## **4.4.4 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).

## **4.4.5 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 2019

## 4.5 Comparative Figures

Comparative figures for the previous financial year ended 30 June 2018 have not been restated.

## 4.6 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 2019 has been accrued in order to arrive at the actual contribution figure.

## 4.7 Interest Receivables

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

## 4.8 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.

## 4.9 Expenses

All expenses incurred are accrued in the accounts.

## 4.10 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.

## 4.11 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 2019

## 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 2019

## 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>						
<b>1 July 2018</b>	-	1,411,603	477,856	1,116,129	1,428,000	<b>4,433,588</b>
Additions	34,906,938	22,181	-	95,310	-	<b>35,024,429</b>
Written-off		(19,275)	(5,980)	(21,850)	-	<b>(47,105)</b>
<b>30 June 2019</b>	<b>34,906,938</b>	<b>1,414,509</b>	<b>471,876</b>	<b>1,189,589</b>	<b>1,428,000</b>	<b>39,410,912</b>
<b>DEPRECIATION</b>						
<b>1 July 2018</b>	-	1,068,176	393,278	752,318	689,157	<b>2,902,929</b>
Charge for the year	-	168,084	41,906	79,743	142,800	<b>432,533</b>
Written-off		(19,275)	(5,980)	(21,850)	-	<b>(47,105)</b>
<b>30 June 2019</b>	<b>-</b>	<b>1,216,985</b>	<b>429,204</b>	<b>810,211</b>	<b>831,957</b>	<b>3,288,357</b>
<b>CARRYING AMOUNT</b>						
<b>30 June 2019</b>	<b>34,906,938</b>	<b>197,524</b>	<b>42,672</b>	<b>379,378</b>	<b>596,043</b>	<b>36,122,555</b>
30 June 2018	-	<b>343,427</b>	<b>84,578</b>	<b>363,811</b>	<b>738,843</b>	<b>1,530,659</b>

## 7 INTANGIBLE ASSETS

	Computer Software
	Rs
<b>COST</b>	
<b>1 July 2018</b>	773,145
Additions	172,450
Written-off	(193,639)
<b>30 June 2019</b>	<b>751,956</b>
<b>AMORTISATION</b>	
<b>1 July 2018</b>	442,268
Charge for the year	200,654
Written-off	(193,639)
<b>30 June 2019</b>	<b>449,283</b>
<b>CARRYING AMOUNT</b>	
<b>30 June 2019</b>	<b>302,673</b>
30 June 2018	<b>330,877</b>

# Notes to the Financial Statements

Year Ended 30 June 2019

## 8 RETIREMENT BENEFIT OBLIGATIONS

	Year ended 30 Jun 2019	Year ended 30 Jun 2018
	Rs	Rs
<b>Defined Benefit Pension Plan</b>		
<b>Amounts recognised in Statement of Financial Position at end of year:</b>		
Defined benefit obligation	8,574,186	8,028,901
Fair value of plan assets	(7,296,011)	(6,233,064)
<b>Liability recognised in Balance Sheet at end of year</b>	<b>1,278,175</b>	<b>1,795,837</b>
<b>Amounts recognised in Income Statement:</b>		
Service cost:		
Current service cost	518,055	511,030
Past service cost	-	-
(Employee contributions)	(271,979)	(262,829)
Fund expenses	60,418	15,026
Net Interest expense/(income)	101,141	104,117
P & L Charge	407,635	367,344
<b>Remeasurement</b>		
Liability (gain) / loss	(517,460)	203,227
Assets (gain) / loss	99,856	(132,376)
Total Other Comprehensive Income (OCI) recognised in staff cost	(417,604)	70,851
<b>Total</b>	<b>(9,969)</b>	<b>438,195</b>
<b>Movements in liability recognised in Statement of Financial Position:</b>		
At start of year	1,795,837	1,848,256
Amount recognised in P & loss	407,635	367,344
(Contributions paid by employer)	(507,693)	(490,614)
Amount recognised in OCI	(417,604)	70,851
At end of year	<b>1,278,175</b>	<b>1,795,837</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 2019

## 8 RETIREMENT BENEFIT OBLIGATIONS (Continued)

Defined Benefit Pension Plan	Year ended	Year ended
	30 Jun 2019	30 Jun 2018
	Rs	Rs
<b>Reconciliation of the present value of defined benefit obligation</b>		
Present value of obligation at start of period	8,028,901	6,851,693
Current service cost	518,055	511,030
Interest cost	562,023	479,619
(Benefits paid)	(17,333)	(16,668)
Liability (gain)/loss	(517,460)	203,227
Present value of obligation at end of period	8,574,186	8,028,901
<b>Reconciliation of fair value of plan assets</b>		
Fair value of plan assets at start of period	6,233,064	5,003,437
Expected return on plan assets	460,882	375,502
Employer contributions	507,693	490,614
Employee contributions	271,979	262,829
(Benefits paid + other outgo)	(77,751)	(31,694)
Asset gain/(loss)	(99,856)	132,376
Fair value of plan assets at end of period	7,296,011	6,233,064
<b>Distribution of plan assets at end of period</b>		
<i>Percentage of assets at end of year</i>	<b>Jun-19</b>	<b>Jun-18</b>
Government securities and cash	58.7%	59.5%
Loans	3.4%	3.7%
Local equities	13.1%	14.6%
Overseas bonds and equities	24.2%	21.6%
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-19</b>	<b>Jun-18</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-19</b>	<b>Jun-18</b>
Currency	Rs	Rs
Asset experience gain/(loss) during the period	(99,856)	132,376
Liability experience gain/(loss) during the period	517,460	(203,227)
	417,604	(70,851)
Year	<b>2019/2020</b>	
Expected employer contributions	532,781	
(Estimate to be reviewed by Tourism Employees Welfare Fund)		
Weighted average duration of the defined benefit obligation	21 years	
(Calculated as a % change in PV of liabilities for a 1% change in discount rate)		

# Notes to the Financial Statements

Year Ended 30 June 2019

## 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:

	<b>Year ended 30 Jun 2019</b>	<b>Year ended 30 Jun 2018</b>
Discount rate	7.00%	7.00%
Future salary increases	4.50%	4.50%
Future pension increases	3.50%	3.50%
Mortality before retirement	A 6770 Ultimate Tables	
Mortality in retirement	PA (90) Tables	PA (90) Tables rated down by 2 years
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 1.6M (increase by Rs 2.1M) 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 1.4M (decrease by Rs 1.2M) if all assumptions were held unchanged.
- If life expectancy would increase (decrease) by one year, the defined benefit obligation would increase by Rs 0.21M (decrease by 0.21M) 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 2019

## 9 LOANS RECEIVABLES

Items	Year ended	Year ended
	30 Jun 2019	30 Jun 2018
	Rs	Rs
Multipurpose	61,563,551	46,531,603
Computer	176,647	194,564
Motorcycle	19,759	144,330
SC / HSC Loan	25,642	25,495
Educational Loan	23,357	65,418
Travel Loan	702,032	1,106,758
Loan Educational	29,161	29,161
	<b>62,540,149</b>	<b>48,097,329</b>

## 9 LONG TERM LOANS RECEIVABLES

	Year ended	Year ended
	30 Jun 2019	30 Jun 2018
	Rs	Rs
Total loans	62,540,149	48,097,329
Provision for Bad Debt	(1,875,330)	(1,451,962)
	<b>60,664,819</b>	<b>46,645,367</b>
Less amount receivable within one year	30,446,592	20,526,776
Amount receivable after one year	30,218,227	26,118,591

# Notes to the Financial Statements

Year Ended 30 June 2019

## 10 INVENTORIES

Items	Year ended 30 Jun 2019	Year ended 30 Jun 2018
	Rs	Rs
Repairs & Maintenance- Office Equipment	63,911	46,465
Printing & Stationery	14,167	11,602
<b>Total</b>	<b>78,078</b>	<b>58,067</b>

## 11 ACCOUNTS RECEIVABLE

Items	Year ended 30 Jun 2019	Year ended 30 Jun 2018
	Rs	Rs
Contribution in arrears	2,010,327	2,726,237
Car Loan Receivable	1,134,309	798,771
Salary & Board Member Refund	100,754	61,891
Sundry Receivables & Prepayments	305,742	289,838
Contribution receivable within 1 year	125,967	94,639
<b>Total</b>	<b>3,677,099</b>	<b>3,971,376</b>

## 12 LONG TERM EMPLOYEE BENEFITS

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

Items	Year ended 30 Jun 2019	Year ended 30 Jun 2018
	Rs	Rs
Sick leave benefits	1,914,650	1,860,996
Provision for Vacation Leaves Refund	1,832,789	1,743,957
<b>Amount due after one year</b>	<b>3,747,439</b>	<b>3,604,953</b>

# Notes to the Financial Statements

Year Ended 30 June 2019

## 13 ACCOUNTS PAYABLE

Items	Year ended	Year ended
	30 Jun 2019	30 Jun 2018
	Rs	Rs
Other payables and accruals	442,729	227,160
Contribution prepaid	159,520	173,497
Contribution & Loan Overpaid	544,378	234,910
Interest, Admin & Insurance Receivable on Loan	3,321,092	4,592,776
Passage Benefits	417,409	284,555
Audit fees	325,000	300,000
<b>Total</b>	<b>5,210,128</b>	<b>5,812,898</b>

## 14 OTHER INCOME

Items	Year ended	Year ended
	30 Jun 2019	30 Jun 2018
	Rs	Rs
Interest received on Loans	3,581,595	2,304,412
Interest Received on car loan	37,465	27,346
Administration fees	1,126,273	643,235
Penalty on Contribution	227,682	229,538
Sundry income	57,027	60,020
Gain in Pension Fund	517,662	-
Insurance	524,187	291,312
<b>Total</b>	<b>6,071,891</b>	<b>3,555,863</b>

# Notes to the Financial Statements

Year Ended 30 June 2019

## 15 GRANT SCHEMES

Items	Year ended	Year ended
	30 Jun 2019	30 Jun 2018
	Rs	Rs
Marriage Gift	1,444,000	1,340,000
CPE Grant	3,000	9,000
Death Grant	260,000	290,000
Death Grant Dependant Relative	130,000	110,000
Training	310,000	489,966
Leisure Activities	1,099,237	953,208
SC Grant	105,000	70,000
HSC Grant	70,000	60,000
Laureate Gift	20,000	20,000
Scholarship Grant	509,950	704,000
Parental Gift	1,691,000	1,512,000
Retirement Gift	727,000	957,000
Special Medical Assistance	200,000	200,000
<b>Total</b>	<b>6,569,187</b>	<b>6,715,174</b>

## 16 STAFF COSTS

Items	Year ended	Year ended
	30 Jun 2019	30 Jun 2018
	Rs	Rs
Salaries	4,699,080	4,534,740
Allowances to officers	275,530	355,341
End of year Bonus	384,965	370,825
Gratuity and Passage Benefits	240,362	194,569
Travelling Expenses	652,073	628,963
Uniforms	16,875	14,630
Overtime	32,371	32,571
NPS Contributions	86,112	83,940
FPS / Pension Contributions	90,659	87,610
Sicom Pension Fund	507,693	438,195
Vacation Leave	88,832	125,099
Sick leave	310,825	322,444
Staff Medical Insurance	128,660	123,392
Staff training	13,000	21,753
<b>TOTAL</b>	<b>7,527,037</b>	<b>7,334,072</b>

# Notes to the Financial Statements

Year Ended 30 June 2019

## 17 ADMINISTRATIVE EXPENSES

Items	Year ended	Year ended
	30 Jun 2019	30 Jun 2018
	Rs	Rs
Donations	38,000	8,000
Allowance to Board Members	257,402	296,297
Board Expenses & Travelling	9,062	9,513
Overseas Travel	221,464	-
Rodrigues Expenses	412,060	22,522
Media and Communications	436,359	241,888
Rent	1,175,308	900,000
Cleaning Expenses	54,535	23,980
Printing, Postage and Stationery	51,956	46,239
Bank interest and charges	22,297	24,443
General Expenses	3,623	11,672
Electricity	309,287	170,591
Water	4,255	4,165
Repairs & Maintenance	422,336	320,657
Motor Vehicles Expenses	144,609	52,512
Legal, Professional, Subscription and Membership Fees	131,550	151,857
Entertainment	8,242	29,338
Advertising and promotion	66,273	-
Insurance	596,300	312,900
Staff Welfare	98,707	56,897
Audit fees	215,000	150,000
Provision for Bad Debts	423,368	84,838
Licenses	319,285	179,298
Magazines & Newspapers	4,030	3,705
<b>Total</b>	<b>5,425,308</b>	<b>3,101,312</b>



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