



# ANNUAL REPORT 2011



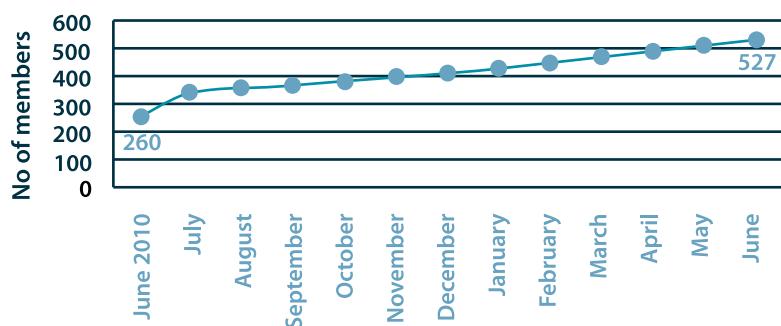
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# KEY DATA AND HIGHLIGHTS

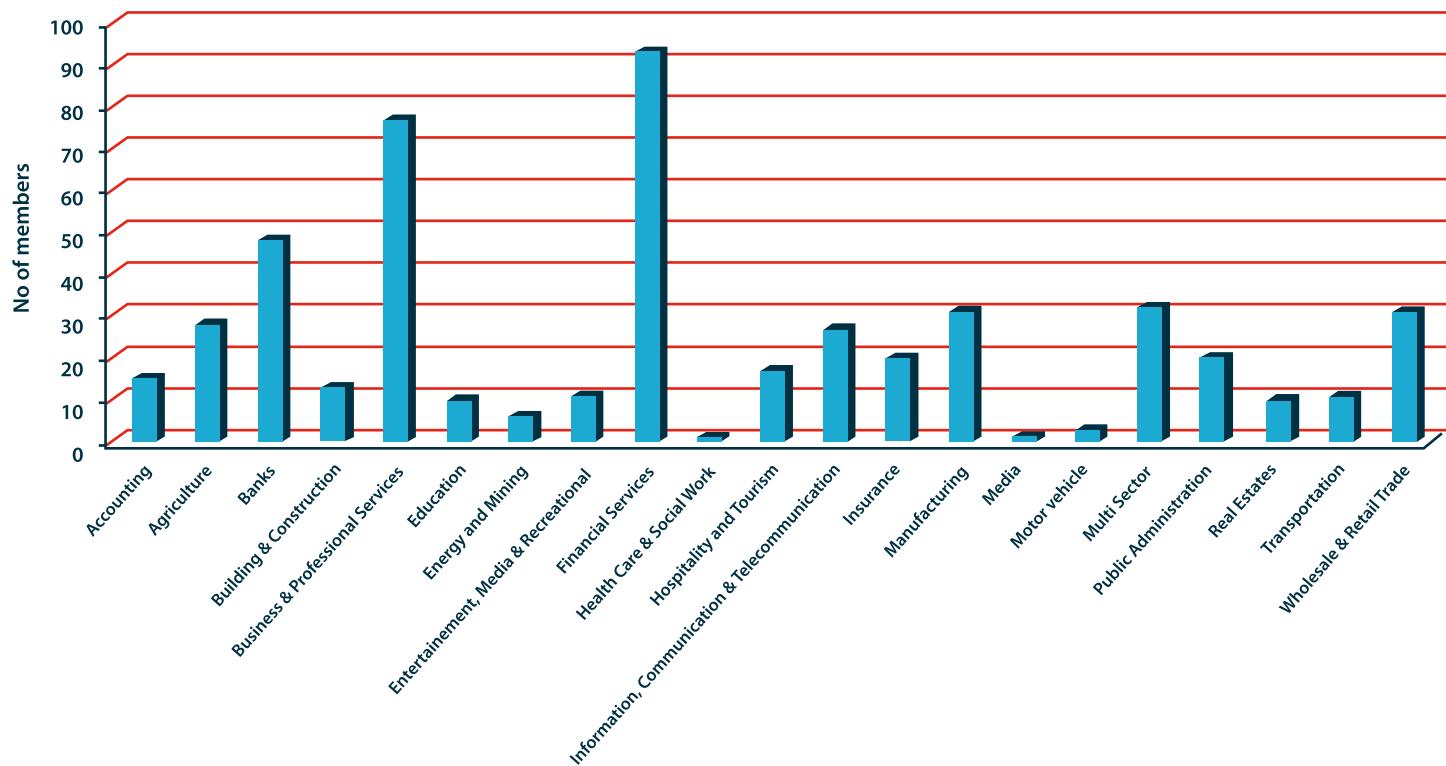
## Members Growth 2010/2011



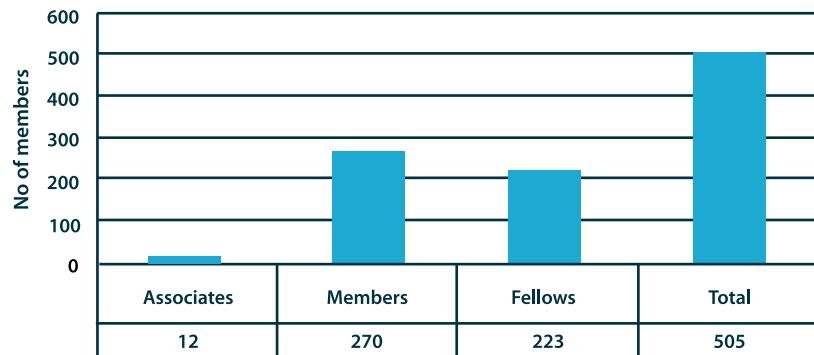
## Retention 2010/2011



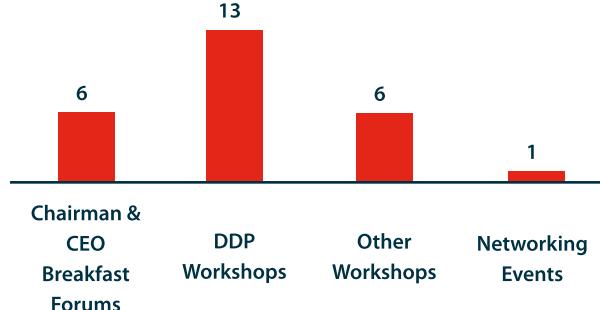
## Members by Sector



## Active Members 2010/2011



## 2010/2011 Events



Total number of participants attending training workshops and forums for Year 2010/11 = 852

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Georges Leung Shing	Board Chairman and Chairman - Membership and Nomination Committee
Devapragassen Armoogum	Vice Chairman and Chairman - Education Committee
James Benoit	Chairman – Audit & Risk Committee
Aruna Lata Vidia Collendavelloo	
Pierre Dinan	
George J Dumbell	
Sultana Joonas	
Danielle Lagesse	
Arjoon Suddhoo	
Appalsamy Thomas	
Jane Elizabeth Orde Valls	Chief Executive Officer
Richard Wooding	Chairman – Corporate Governance Committee

### COMPANY SECRETARY

Consec Ltd  
7<sup>th</sup> Floor, Intendance Street  
Anglo Mauritius House  
Intendance Street  
Port Louis

### BANKERS

Mauritius Post and Cooperative Bank  
Head Office 1,  
Sir William Newton Street,  
Port Louis

### CHIEF EXECUTIVE OFFICER

Jane Elizabeth Orde Valls

### REGISTERED OFFICE

1<sup>st</sup> Floor, Raffles Tower, 19, Cybercity, Ebene

## FOUNDERS



BRITISH AMERICAN INVESTMENT



## PATRONS



International Distillers (Mauritius) Ltd.



Out of the Ordinary®



*naïade*



omnicane  
*Integrating Energies*

Phoenix Beverages Limited



Swan Group



## CHAIRMAN'S REPORT

Dear Members

I am pleased to present this report for the year ended 30 June 2011.

### Overview

The MiOD is just three and a half years old and as such is still a very young Institute, in its early years of growth and development. Its mission is to promote good corporate governance and to provide a professional forum for current and future directors of companies and parastatal bodies.

In the year ended 30 June 2011, the MiOD has geared itself, through its Director Development Programme and CEOs Breakfast Forums, to providing not only support for business leaders at the highest level, but also members who are directors, managers and young professionals, with the knowledge and tools needed by them to run successful businesses using good corporate governance practices.

### Independence

The MiOD is a private independent not-for-profit organisation regulated by the Companies Act. Its Directors serve on a voluntary pro-bono basis and I take this opportunity to thank all of them for their time and support.

### Membership Growth

The MiOD has seen a good and steady growth in its membership which has more than doubled to over 500 members by the end of June 2011. We will have to continue to grow our membership so as to ensure our future sustainability.

Membership is individual and personal and membership fees have remained unchanged in order to attract new members. The new category of Associate member is designed to encourage young graduates to join the MiOD and nurture the future generation of directors and business leaders. The Membership Rules and Regulations have been reviewed and all members are encouraged to consult them on our website [www.MiOD.mu](http://www.MiOD.mu).

### Improved Benefits and Services

2010/2011 has also seen significant improvements in members' benefits with the launch of the MiOD Members Card and Membership Programme, the setting up of the MiOD Library and On-Line Documentation Centre, our quarterly Newsletter "Direction" and Special Events for members.

### Continuous Professional Development

The MiOD's mission is to professionalise the status of directors, and information, education and training is therefore a key part of our work.

The year under review has seen the continuous roll out of the Director Development Programme workshops at the Intermediate Level, with excellent response, particularly from members, both in terms of attendance and feedback. The workshops have been ably facilitated by our Consultant Kim Andersen and the MiOD training team and enhanced by International Facilitators such as Professor Bob Garratt, Professor Deon Rossouw, Emmanuel du Boullay and Sharon Ditchburn, as well as local experts who have given freely and generously of their time and whom we thank for their continued support.

Our CEO participated at the end of June 2011 in the Global Corporate Governance Forum (GCGF) in Washington which was attended by 48 participants from all over the world. It was an excellent forum for networking between the independent IODs with the MIoD forming part of an eventual French Speaking network. We take this opportunity to thank GCGF for providing us with training materials and invaluable support.

Our collaboration with the Ethics Institute of South Africa (Ethics SA) has been cemented with the signature of a Memorandum of Understanding which has enabled us to expand our training offer to include business ethics.

We have also worked during the past 12 months with several other professional organisations such as ACCA Mauritius, the Mauritius Institute of Professional Accountants, the Society of Financial Analysts of Mauritius, the Institute of Chartered Secretaries and Administrators Mauritius and the Office of Public Sector Governance. We thank these organisations for their continued collaboration and look forward to working with them and other similar organisations in the current year.

### **Corporate Governance**

We continue to work closely with the National Committee on Corporate Governance and other bodies such as the Financial Reporting Council, the Registrar of Companies, and the Financial Services Commission. We have participated, at the request of the World Bank, in the new ROSC on Corporate Governance and look forward to the publication of this report in August 2011.

### **Sponsorship**

All of our achievements, however, would not have been possible without the unflinching support of our Founders and Patrons. Several new Patrons have started to make contributions during the past year and we gratefully acknowledge the significant value of all these contributions. The MIoD still relies on the invaluable financial support of our Founders and Patrons until such time as its fees for membership and activities generate sufficient revenue to ensure its sustainability.

### **Looking Ahead**

In the current year, the MIoD will continue to significantly expand its membership and activities and professionalise the status of directors by enhancing their accountability through orientation, research, training and accreditation, advisory services, advocacy, networking and sharing of international best practices.

Our 3 year plan has been reviewed and rolled over and we have set ourselves on an ambitious growth strategy to ensure the Institute's sustainability. We will focus on membership growth, specifically targeting graduates and young professionals, training and education by rolling out the Advanced Level of the

Director Development Programme as well as shorter Corporate Governance workshops and other types of training for directors, in addition to our Intermediate Level courses and our Chairmen and CEO'S Breakfast Forums. We hope that more directors will take advantage of these workshops in the current year and encourage the continuous professional development of the Board members and senior management of their companies.

The International Conference planned for 16 September 2011, in collaboration with the Asian Centre for Corporate Governance and Sustainability and the National Committee on Corporate Governance, will be a significant event, with participants from all over the world, especially Asia and Africa, as well as local delegates, meeting in Mauritius to discuss how Boards can become more effective.

2010/2011 has also seen reciprocal arrangements agreed with the Institute of Directors in South Africa and we are currently working with the 'Institut des Administrateurs Français' on similar arrangements. We hope more such agreements will follow to expand members' benefits, as well as enable knowledge, information and resources to be shared.

The Code of Corporate Governance for Mauritius was launched some 8 years ago and the MIoD supports the view of the National Committee on Corporate Governance that it is time for a revision of the Code to keep up with the changes that have taken place during the past 8 years in Mauritius and elsewhere, and to ensure that Mauritius remains a credible and respected business centre with world class standards.

On behalf of my fellow Board Members, I would like to thank the CEO of the MIoD and her team for their excellent work this year and their commitment to the continued growth and success of the Institute.

Georges Leung Shing  
Chairman



## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2011

### General Review

The MIoD was incorporated as a public company limited by guarantee on 18 January 2008 in terms of Section 23 (c) (vii) of the Companies Act.

The Objects of the MIoD are set out in its Constitution but are primarily to advance corporate governance in Mauritius by establishing a professional forum for directors and Managers within the public and private sectors and to provide services to members that will enhance and facilitate their development for the ultimate benefit of the community at large.

The MIoD's Vision is "To be the leading professional organisation for directors and business leaders driving effective corporate governance and best practices".

The Mission of the MIoD is "To professionalise the status of directors and to enhance their accountability by providing orientation, research, training and accreditation, advisory services, advocacy, networking and sharing of international best practices."

The MIoD has also adopted six Core Values and defined them as follows:

**• Integrity**

Leading Mauritian corporations and institutions to international best practice in corporate governance while upholding the highest ethical, moral and professional conduct.

**• Excellence**

Aiming for excellence in all we do and being passionate about our values.

**• Accountability**

Acting responsibly and demonstrating accountability for our decisions.

**• Knowledge and Foresight**

Promoting the learning and continuous development of our members and the acquisition of planning and transformational skills.

**• Teamwork and innovation**

Working together, in mutual respect, towards a common goal, recognizing that innovation comes from harnessing diversity.

## • Transparency

Operating in a fair and transparent manner and devoting time for the benefit of the Institute and its members.

Our Objectives, Vision, Mission and Core Values have guided all our work during the year ended 30 June 2011 (the year).

## Constitution

The revised Constitution, with some minor changes, was approved and adopted by members at the Annual Meeting on 25 August 2010. A copy is available on our website [www.MIoD.mu](http://www.MIoD.mu) or at our offices for consultation.

The MIoD is a company limited by guarantee and in terms of its Constitution, all the members duly undertake to each contribute a maximum of 100 Mauritian Rupees in the event of winding up.

The Company has been approved by the Mauritius Revenue Authority as a Charitable Institution for tax purposes.

## Reserves

The surplus of revenue over expenditure in the accompanying financial statements constitutes its accumulated fund. No part of these funds may be applied towards payment of dividends to members of the MIoD.

## Company Secretary

The Board of the MIoD appointed as new Company Secretary, ConSec Ltd, of 7th Floor, Anglo Mauritius House, 4 Intendance Street, Port Louis, in September 2010, following the resignation of Mr Ambrish Maharahaje of the Legal Department of Rogers and Company Ltd. Mrs Caryl Rey, M.Phil ACIS, of ConSec Ltd or her deputy, attends all meetings of the Board and committees.

## Founders and Patrons

In order to set up and operate the MIoD, the Board has approached prominent companies in Mauritius with requests for financial support. The directors would like to record their appreciation for the financial support received from the following companies during the year:

Founders	Patrons
Air Mauritius Ltd	Barclays Bank Plc
BAI Co (Mtius) Ltd	CIM Group
CIEL Group	Deutsche Bank (Mauritius) Ltd
Currimjee Jeewanjee & Co Ltd	Indian Oil (Mauritius) Ltd
ENL Ltd	Investec Bank (Mauritius) Ltd
Food and Allied Industries Ltd	Mauritius Duty Free Paradise
Group Mon Loisir (GML)	Mauritius Post and Cooperative Bank Ltd
Harel Frères Ltd	Medine Sugar Estates Ltd
Hong Kong and Shanghai Banking Corporation Ltd	Naiade Resorts Ltd
Ireland Blyth Ltd	Omnicane Ltd
Leal/Pharmacie Nouvelle	Phoenix Beverages Ltd
Mauritius Commercial Bank Ltd	SBI International (Mauritius) Ltd
Mauritius Telecom Ltd	Shell (Mauritius) Ltd
Rogers & Co Ltd	Standard Bank (Mauritius) Ltd
State Bank of Mauritius Ltd	Swan Group/Anglo Mauritius
Total Mauritius Ltd	

# DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2011

## Membership

As at 30 June 2011, the active Membership stands at a total of 505 (+ 103% growth), admitted in the following categories:

12 Associates

270 Members

223 Fellows

Membership continues to grow at a satisfactory rate and on target, largely driven by attendance at MIoD events and workshops.

22 members (8%) have resigned mainly due to moving overseas or illness.

Members come from all sectors of the economy, but with a large number from the Financial Services and Business and Professional Services sectors.

Membership is targeted to grow by 50% to reach 750 members in the year 2011-2012, with a target of 1,250 members by 30 June 2014.

Emphasis is also being placed on recruiting Associate Members in order to nurture the directors of the future.

A Membership Card and Membership Programme was launched on 23 March 2010.



The Membership Card entitles members to discounts on various products and services and the directors would like to record their appreciation for the support received from the following Membership Programme partners:

- Adamas
- Arcasa
- Atelier Dumont / Café Baudelaire
- Blue Sky
- Bookcourt
- CIM Insurance
- Croisieres Australes
- FedEx Express
- Hemisphere Sud
- Heritage Resorts
- Hertz
- Ireko Interiors
- Karl Kaiser
- Mauritius Telecom
- Otayo
- Oxygen
- Phoenix Beverages
- Quincaillerie Centrale
- Royal Courts
- Temple Law Books
- 20/Vin

## Directors

Mr Richard Wooding was appointed as a director at the Annual Meeting held on 25 August 2010.

With the exception of the CEO whose conditions of service are set down in a contract of employment effective 1 April 2010, no other directors have service contracts nor are paid fees for their services.



## MIoD Staff

Two new team members were recruited during the year – a Sales and Administration Executive and an Accounts and Administration Coordinator. The directors take this opportunity to thank them both for their hard work in helping to achieve the MIoD's objectives.

In order to achieve the MIoD's targets as per the 3 year Business Plan 2011/2014, it is intended to recruit a 4th member in the current year to support the administration team.

## Training and Events

During the year, 35 events or seminars have been held including:

6 Chairman and CEO's Breakfast Forums on the following themes:

- Corporate Stewardship in times of Crisis
- Reporting Risk to the Board
- Values Based Leadership
- The Fish Rots from the Head
- Le Comité d'audit, acteur de la gestion des risques
- The Future for Improving Corporate Governance in the global Financial Services Industry, and in particular in Mauritius, from regulator's point of view.

1 Media Workshop

1 Members Networking Event

1 workshop in collaboration with the Financial Reporting Council on the topic "Corporate Governance Reporting for Public Interest Entities".



3 workshops with Ethics SA including one on "Business Ethics for the Accounting Professional" in collaboration with ACCA Mauritius, another one with The Rotary Club of Port Louis ("The Ethics Edge - Why ethics matter and how to make your organisation aware of it") kindly sponsored by Engen, and an Ethics Officer Certification Programme kindly sponsored by Air Mauritius.

1 workshop on "Financial Oversight and Reporting" in collaboration with Mauritius Institute of Professional Accountants and 1 workshop in collaboration with ACCA Mauritius on "The Case for Corporate Governance".



The MIoD would like to thank all the above organisations for their co-operation and support and would also like to strengthen its collaboration with them and other kindred bodies during the current year.

23 full day workshops as part of the Directors Development Programme on the following subjects:

- The Case for Corporate Governance
- Corporate Regulatory & Compliance Framework
- The Role of the Chairman, CEO & Company Secretary
- The Board: Practices, Composition, Procedures, Liabilities
- Disclosure and Transparency
- Risk Management & Internal Control
- Conflicts of Interest
- Financial Oversight and Reporting
- Leading an Ethical Work Culture

# DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2011



Several international speakers have visited Mauritius to participate in these workshops including:

- Alexander Berg, Program Manager, Corporate Governance Group, World Bank
- Sharon Ditchburn, Managing Director, Capital Advantage
- Professor Deon Rossouw, CEO, Ethics SA
- Professor Bob Garratt
- Emmanuel du Boullay, Institut Français des Administrateurs

During the year the MIoD sponsored, for the first time, an Award for Risk Management Reporting as part of the PWC Corporate Reporting Awards. The Award, won by Shell (Mauritius) Ltd, was presented by Professor Mervyn King on 28 February 2011.

Several in house training sessions have been organised for Founders and Patrons and for other local companies during the year, as well as Corporate Governance presentations to various organisations and NGOs. The MIoD is also working closely with the Office of Public Sector Governance (OPSG) to provide training.

MIoD directors also underwent some PR training and guidance as they are often called upon to comment on various issues of Corporate Governance. The training was conducted by Jean-Marie Richard of Imagine Communications.

The CEO, Mrs Jane Valls, has attended a Global Corporate Governance Forum (GCGF) Training of Trainers Programme in Mumbai in July 2010 and a GCGF Conference in Washington on 27-28 June 2011.

All the MIoD training is based on the GCGF Corporate Governance Board Leadership Training Programme which represents the latest thinking of the GCGF, the International Finance Corporation and OECD principles. The directors would like to recognise the contribution of the GCGF.

The MIoD has been approved as a Training Institute by the Mauritius Qualifications Authority. All the MIoD workshops are MQA approved and qualify for HRDC refunds as well as Continuous Professional Development (CPD) units.

The MIoD is developing a pool of freelance trainers and the directors would like to thank all the trainers who have collaborated with the MIoD during the year including Kim Andersen, Benoit Maingard and the CEO, Jane Valls, amongst others. The MIoD also relies heavily on local expertise in all its workshops and again thanks is due to all those local presenters who have collaborated with the MIoD, especially members of the National Committee on Corporate Governance.

## Partnerships

In October 2010, the MIoD signed an MOU with Ethics SA to work together in Mauritius on projects to build local ethics capacity as well as issues relating to ethics management and corruption prevention, including sharing of information, training and research. The MIoD is also undertaking an Ethics Risk Assessment under the aegis of Ethics SA.

The MIoD has also signed an agreement with the Institute of Directors in South Africa (IODSA) whereby members of both Institutes may benefit from reciprocal arrangements. This means that members of the MIoD are now eligible to attend IODSA functions and events and vice versa. MIoD and IODSA members will need a letter from their respective Institute confirming their membership details and eligibility in order to benefit from members' preferential rates.



Similar arrangements are under discussion with L'Institut Français des Administrateurs and it is hoped to enlarge the number of such agreements with other institutes around the world during the current year.

## **ROSC Updates**

The MIoD has participated, at the invitation of The World Bank, in the update of the Corporate Governance Report on Standards and Code (ROSC) in January 2011 and the report is expected to be published in August 2011.

## **Library and On-Line Documentation Centre**

The MIoD library and on-line documentation centre was launched in February 2011. Members now have access to a small, but growing, library of books on Corporate Governance and related subjects at our offices in Ebène, as well as an on-line documentation centre via our website.



## **Communications**

Our website [www.MIoD.mu](http://www.MIoD.mu) has been continuously updated during the year in order to keep our members up to date with forthcoming events and information.

Our email newsletter "Direction" has been redesigned and is now published quarterly. Three issues have been produced during the year.

Regular emails have also been sent out to our members throughout the year to keep them updated on our events and news.

## **IT**

The MIoD has set up during the year a Customer Relationship Management system to better manage its membership database.

As debtors' management has been a particular issue, the Board has approved the introduction of a Pastel accounting software package to improve the management of our accounts and debtors as from 1 July 2011.

## **Policies and Procedures**

During the year, the directors have approved or reviewed the following policies and procedures:

- Procurement Policy
- Conflict of Interest Policy
- Related Party Transaction Policy
- Membership Rules and Regulations
- Nomination Procedures
- Cancellation Policy
- Risk Assessment

Signed on behalf of the Board

A handwritten signature in black ink, appearing to read "G. Leung Shing".

**Mr Georges Leung Shing**  
**Chairman**

Date: 05 August 2011

A handwritten signature in black ink, appearing to read "Devapragassen Armoogum".

**Mr Devapragassen Armoogum**  
**Vice Chairman**

# CORPORATE GOVERNANCE REPORT

## 1. The Directors' Report on Corporate Governance

The Board of the Mauritius Institute of Directors ('MloD' or the 'Company') sees compliance with the Code of the Corporate Governance for Mauritius (the 'Code') as an opportunity to strengthen the governance structure of the Company and to improve its performance and processes.

During the year under review, the Board is of the view that the Company has, except for what is stated hereunder, complied in all material aspects with the principles of the Code:

- The Board is currently working on its Charter.
- The Board considers it functions effectively with only one Executive Director namely the CEO, given that the Company only has three employees.

## 2. Corporate details and holding structure

The Company is a public company limited by guarantee incorporated and domiciled in Mauritius. Save for Associate Members, every Member, irrespective of his membership category, has undertaken to contribute a maximum of 100 Mauritian Rupees in the event of winding up.

It is a non-profit organisation engaged in training and development and the promotion of good corporate governance in Mauritius.

The rights, powers, duties and obligations of the Board, the directors, and the members of the Company are governed by the Constitution of the Company and the Companies Act 2001.

## 3. The Board

The Board is comprised of 12 directors under the Chairmanship of Mr Georges Leung Shing. There are 11 independent directors and one Executive Director.

The functions and responsibilities of the Chairman and the CEO are separate. The Board is of the view that its composition is adequately balanced and that current directors have the appropriate range of skills, expertise and experience required to carry out their duties properly to serve the interests of all the stakeholders and provide effective Corporate Governance.

In line with the Code and the Constitution of the Company, all directors will stand for re-election at the annual meeting of shareholders. The Chairman of the Board is appointed by his fellow directors after each annual meeting.

The Board meets every two months and reviews annually the strategic objectives of the Company, to determine policies and to monitor the implementation of strategies in accordance with the 3 year Business Plan and Budget, prepared by the CEO. The Board is also responsible for ensuring that procedures and processes are in place for the protection of the Company's assets and reputation and that the Company complies with all relevant legislation, regulations and best international practices. A full risk assessment was undertaken in the past year and a Risk Register established, with the appropriate action plan to mitigate the key risks identified. The Board has also been focused on reviewing the Company's Values in line with the MloD's Vision, Mission and Objectives and has set in place a Key Performance Indicator Dashboard.

The Chairman and the CEO, in collaboration with the Company Secretary, agree in advance with Board members the calendar of meetings for the year and each meeting agenda to ensure adequate coverage of key issues. Board packs are usually sent to the directors five days in advance, except for urgent meetings.

The Chairman promotes and encourages open and frank discussions at meetings. Board meetings provide a forum for challenging and constructive debate.

Directors attend Board meetings unless exceptional circumstances prevent them from so doing.

All directors have access to the Company Secretary and CEO to discuss issues or obtain information on specific areas or items to be considered at Board meetings or any other appropriate area.

Furthermore, the directors have the right to request independent professional advice at the reasonable expense of the Company.

The Board also has the authority to secure the attendance of third parties with relevant experience and expertise as and when required.

During the year under review, six Board meetings were held during which the Board received updates from the CEO on the operational aspects of the Company. Besides Board meetings, decisions are also taken through Board resolutions as and when required.

The category of directors and their attendance at Board meetings were as follows:

NAME	CATEGORY	BOARD ATTENDANCE
LEUNG SHING Georges (Chairman)	INED <sup>1</sup>	6/6
ARMOOGUM Devapragassen	INED	6/6
BENOIT James	INED	5/6
COLLENDAVELLOO Aruna Lata Vidia	NED	3/6
DINAN Pierre	INED	6/6
DUMBELL George	INED	4/6
JOONAS Sultana	INED	4/6
LAGESSE Danielle	INED	4/6
SUDDHOO Arjoon	INED	4/6
THOMAS Appalsamy	INED	5/6
VALLS Jane Elizabeth Orde	ED <sup>2</sup>	6/6
WOODING Richard	INED	2/5

1INED – Independent Non-Executive Director

2ED – Executive Director and Chief Executive

The biographical details of the directors are set out below:

<b>Georges Leung Shing</b>	Chairman of the MIoD Board Appointed 18 January 2008 Age: 65 B Sc (Econ), FCA, CTA Chairman of The Mauritius Development Investment Trust Co Ltd and a director of Mauritius Molasses Co Ltd, Mauritius Stationery Manufacturers Ltd, Omnicane Ltd and Standard Bank (Mauritius) Ltd. He is also a member of the Financial Reporting Council, the Financial Monitoring Panel and the Sugar Insurance Fund Board.
<b>Deva Armoogum</b>	Vice-Chairman of the MIoD Board Appointed 18 January 2008 Age : 61 FCCA, FCILT Partner of KPMG Mauritius and Head of Advisory. Occupied various executive positions and directorships in large organizations in Mauritius and is a member of the National Committee on Corporate Governance, and the Chairman of the Institute of Internal Auditors (Mauritius) Chapter.
<b>James Benoit</b>	Appointed 16 July 2009 Age : 45 CFA CEO and Executive Director of AfrAsia Bank Ltd President of the Society of Financial Analysts of Mauritius (SFA Institute), Vice Chairman, Mauritius Bankers Association and Chairman of Axys Capital Management (Mauritius) Ltd and AfrAsia Corporate Finance Ltd, Cape Town, SA.

Aruna Collendavelloo	Appointed 18 January 2008 Age : 41 BA (Hons) Jurisprudence, Oxon, Attorney-at-law, Mauritius, Solicitor (England & Wales) (NP) Chief Legal Executive of Rogers and Co Ltd and Director of the Central Depository & Settlement Co Ltd.
George Dumbell	Appointed 18 January 2008 Age: 62 ACIB (UK) Chairman of the Constance Group of companies and a director of Belle Mare Holding Ltd, Harel Frères Ltd, State Bank of Mauritius Ltd and Swan Insurance Co Ltd.
Pierre Dinan	Appointed 18 January 2008 Age: 74 B Sc (Econ), FCA Formerly a senior partner of DCDM until his retirement in 2004. He presently serves as a director for a number of public companies in the manufacturing and financial services, and is an independent member of the Monetary Policy Committee.
Sultana Joonas	Appointed 16 July 2009 Age: 54 Diploma in Teaching, Degree in Business Administration. Director of Joonas & Co Ltd and Galvabond Ltd.
Danielle Lagesse	Appointed 18 January 2008 Age: 57 Senior Attorney Head of Etude Lagesse, Director of TSF Advisors Ltd, Member of the Australian Institute of Company Directors
Arjoon Suddhoo	Appointed 18 January 2008 Age: 52 B Sc (Hons), MBA, Ph D Executive Director of the Mauritius Research Council and holds directorships in several parastatal bodies and companies in the financial services sector, including Mauritius Union Assurance Co Ltd. Former Chairman of Air Mauritius Ltd., he is also Fellow of the Mauritius Academy of Science & Technology
Appalsamy Thomas	Appointed 16 July 2009 Age : 56 MBA (Surrey) Chairman of Mauritius Telecom and a director of Standard Continuous Stationery Ltd and Group Head of Human Resources, Harel Mallac & Co Ltd
Jane Valls	Chief Executive Officer Appointed 26 April 2010 Age : 57 BA (Hons) Accredited trainer with the Global Corporate Governance Forum (GCGF) and the Ethics Institute of South Africa. Held senior positions and directorships in the aviation, hospitality, tourism and ITC sectors in Mauritius and overseas, including British Airways, Sun International and The Rogers Group. Formerly, also running her own management consulting and training consultancy.

Richard Wooding	Appointed 25 August 2010
	Age : 52
	BA (Hons), MBA
	CEO Phoenix Beverages Group – Mauritius since July 2006
	Held managerial positions in Heineken International, British American Tobacco and Rothmans International in Africa and Asia

#### **4. Director Induction**

On appointment to the Board, new directors receive a comprehensive induction pack from the Company Secretary and have meetings with the Chairman, Membership and Nominations Committee, the CEO and other employees of the MiOD.

#### **5. Board Committees**

In accordance with the Code, the Board of the MiOD has set up the following committees to assist in the execution of its responsibilities:

- (a) Audit and Risk Committee
- (b) Corporate Governance Committee
- (c) Education Committee
- (d) Membership and Nomination Committee

An Editorial Committee has also been set up to review publications of the MiOD.

All Board Committees only comprise members of the Board of the MiOD and are attended by the Company Secretary, or her assistant, who records the minutes of all meetings.

##### **5.1. Audit and Risk Committee (ARC)**

The ARC is composed of three directors of the Board, namely, James Benoit (Chairman), George Dumbell and Arjoon Suddhoo. The CEO and the Accountant of the MiOD are in attendance at meetings of the ARC.

The terms of reference of the ARC are in accordance with the Code and were revised and approved by the Board on 19 January 2011.

The main responsibilities of the ARC are to assist the Board of directors in fulfilling its oversight responsibilities for:

- the integrity of the company's financial statements;
- the company's compliance with legal and regulatory requirements;
- the independent auditor's qualifications, independence and performance;
- the effectiveness of the company's internal controls
- the review of any accounting or auditing concerns identified
- monitoring of debtors and
- the review of the risk philosophy, strategy and policy and assessing the quality of the risk management process.

During the year under review, the ARC met four times. Apart from the planning for the preparation of the Annual Report 2011 and the review of the financial statements as at 30 June 2011, the ARC has performed the following:

- reviewed its terms of reference to reflect responsibilities under Risk Management
- established a Procurement Policy
- established a Policy on Conflict of Interest
- undertaken a Risk Assessment of the Company
- and is developing a Policy on Related Party Transactions

### **5.2. Corporate Governance Committee ('CGC')**

The CGC is composed of four directors of the Board namely Richard Wooding (Chairman), Danielle Lagesse, Arjoon Suddhoo and Jane Valls.

The CGC makes recommendations to the Board on all corporate governance provisions to be adopted to enhance compliance with prevailing governance principles and practices.

The CGC met twice during the year. Its charter was revised and reviewed in accordance with the Code, and approved by the Board of directors on 16 March 2011.

Apart from the review of the non-financial part of the Annual Report 2011, the CGC has performed the following:

- drafted a Board Charter
- and is reviewing the MiD Code of Conduct

### **5.3. Education Committee ('EC')**

The EC is composed of six directors of the Board, namely, Deva Armoogum (Chairman), Aruna Collendavelloo, Sultana Joonas, Danielle Lagesse, Jane Valls and Richard Wooding .

The Committee is responsible for all matters regarding training and education activities of the MiD aimed at the promotion and achievement of its objectives.

During the year under review, the EC met eight times to plan the training events and special workshops to be conducted by the MiD. The performance of the EC is listed hereunder:

- the EC reviewed its terms of reference, which was approved by the Board of directors on 16 March 2011;
- reviewed and approved the training and events calendar;
- monitored and reviewed the quality of all training and events ;
- edition of a newsletter which is sent to each member of the MiD on a quarterly basis;
- establishment of a Library and Online Documentation Centre;
- organisation of the MiD International Corporate Governance Conference with the collaboration of the Asian Centre for Corporate Governance and Sustainability;
- organisation and participation of training workshops, forums and approval of training budget.

#### **5.4. Membership and Nomination Committee ('MNC')**

The Membership Committee and the Nomination Committee have been merged into one Committee named Membership and Nomination Committee.

The MNC is composed of 4 directors of the Board, namely, Georges Leung Shing (Chairman), Deva Armoogum, Pierre Dinan and Dass Thomas. The CEO is in attendance at the meetings of the MNC.

The Committee is responsible for all matters concerning membership of the MiD as outlined in its Constitution and such related matters and for recommending to the Board candidates to be appointed as directors to the Board, as well as all employee remuneration. The Committee has a separate set of clear and transparent published procedures and distinct terms of reference for the nomination of directors and for the subscription of new members.

The MNC met three times during the year and has:

- Approved 267 new members
- Reviewed the membership criteria
- Reviewed the membership marketing materials
- Launched the Membership Card with the Membership Benefits Programme. All members of the MiD have been sent their Membership Card.
- Approved Membership Rules and Regulations
- Reviewed all directors Nominations received
- Reviewed the KPIs and the performance of the CEO
- Drafted a proposal for a Director's Register

The terms of reference of the EC was revised and approved by the Board of directors on 16 March 2011.

#### **Attendance at Committee Meetings**

Attendance at Committee Meetings	ARC	EC	NMC	CGC
LEUNG SHING Georges (Chairman)	n/a	1/1	3/3	1/1
ARMOOGUM Devapragassen	1/1	7/7	2/3	n/a
BENOIT James	4/4	n/a	n/a	n/a
COLLENDAVELLOO Aruna Lata Vidia	n/a	5/8	n/a	n/a
DINAN Pierre	n/a	n/a	4/4	1/1
DUMBELL George	3/3	n/a	n/a	n/a
JOONAS Sultana	n/a	5/8	n/a	n/a
LAGESSE Danielle	n/a	7/8	n/a	0/1
SUDDHOO Arjoon	2/4	n/a	n/a	1/1
THOMAS Appalsamy	n/a	n/a	4/4	n/a
VALLS Jane Elizabeth Orde	n/a	8/8	1/1	2/2
WOODING Richard	n/a	2/7	n/a	1/1

*n.b Committees were reconstituted after the AMM 2010, whereby committee members changed.*

*The terms of reference of the aforesaid Board Committees are all available on the website of the MiD ([www.MiD.mu](http://www.MiD.mu))*

## **6. Board Performance and Evaluation**

An evaluation of the Board's performance is undertaken every year and reviewed with the objective of improving the Board's performance, together with its procedures, practices and administration, and those of its Committees, as well as the overall achievement of the Company's Vision, Mission, Values and Objectives.

## **7. Conflict of Interest**

The Board has approved a new policy on Conflicts of Interest with which all directors and employees are expected to comply. A copy is available on the Company's website [www.MIoD.mu](http://www.MIoD.mu).

## **8. Statement of Remuneration Philosophy**

The Membership and Nomination Committee is responsible for reviewing and recommending to the Board any changes to employees' remuneration. Employees are rewarded for their contribution to the Company's performance based on annual Key Performance Indicators and at levels which take into account industry and market benchmarks.

The Non-Executive Directors of the Company are not remunerated for serving on the Board and their benefits are limited to free attendance at MiOD events.

The total remuneration of the CEO for the year was:

Name	Remuneration (Rs.)
VALLS, Jane Elizabeth Orde	Rs 3,191,796

## **9. Annual Meeting of Members**

At 30 June 2011, the Company had 505 active individual members.

The MiOD communicates to its members through its Annual Report, publications, newsletters, website, email and annual members' meeting.

The key members events held during the year were:

1. Annual Meeting of Members - 25 August 2010
2. Networking Event - 23 March 2011

## **10. Share Price**

As the Company is limited by guarantee, share price information is not applicable.

## **11. Internal Control and Risk Management**

### **(a) Risk Management**

The Board is responsible for the process of risk management which incorporates internal control and audit.

The Audit & Risk Committee ('ARC') assists the Board in fulfilling its responsibilities by monitoring decisions and processes designed to ensure the integrity of financial reporting and sound systems of internal control and risk management.

Management is accountable to the Board to establish processes and procedures for identifying, evaluating, and managing any significant risks faced by the Company.

A full risk analysis has been undertaken and a register of key risks has been established and presented to the ARC for the appropriate mitigation, actions and decisions to be taken.

The key risks identified and which require monitoring are as follows:

- Reputation
- Loss of Founders and Patrons funding, especially during early growth years
- Technology failure and data loss
- Natural disasters and events

These risks are being addressed in the following ways:

- an ethics risk assessment of the MiOD is being conducted
- the MiOD has put in place a new 3 year business plan to ensure its sustainability
- a business continuity plan is being put in place

### **(b) Internal Control**

A new accounting firm, Cays Associates, was appointed in May 2010. Separation of powers and duties is ensured for approval of all purchases, payments of bills and signing of cheques. Cash transactions are limited and receipts are immediately issued.

A new Pastel software accounting system is being introduced which will further help the preparation of accounts and improve the management of debtors.

### **(c) External Audit**

Moore Stephens was appointed as external auditors for the financial year under review. Non-audit services are not rendered by the external auditor.

## **12. Corporate Social Responsibility ('CSR')**

As the Company is a non-profit organisation, no CSR contribution has to be made.

## **13. Ethics**

The members of the Company are expected at all times to act in such a way as not to bring themselves or the MiD in disrepute. They are also expected to comply with the Code of Conduct of the MiD which provides guidance on behaviour to be adopted by the members. The Code of Conduct is available on the website of the MiD. The MiD is also undertaking an ethics risk assessment.

## **14. Environment**

The Company conducts its activities in such a way as to minimize any negative impact on the environment. In keeping with this commitment, the Company communicates with its members mainly by email, making maximum use of its website and recycling used paper.

## **15. Health and Safety**

The Company complies with health and safety legislations. No incidents have been reported during the year.

## **16. Social Issues**

The Company is an equal opportunity employer and considers the welfare and development of its employees to be important. Employees are consulted on all essential matters affecting their work and environment and are encouraged to attend MiD workshops and events, as well as external training for their professional development.

## **17. Related Party Transactions**

There were no related party transactions during the year.

## **18. Management Agreements**

No new management agreement has been entered into by the Company. The Company has contracts with ConSec Ltd to provide secretarial services, Imagine to provide public relations services and CAYS Associates to provide accounting services. All these contracts are reviewed on a regular basis as per the MiD's Procurement Policy.



**Caryl Rey**  
**For and on behalf of**  
**Consec Ltd**  
**Company Secretary**

# DIRECTORS' RESPONSIBILITY STATEMENT

## (a) Financial Statements

The directors of the Mauritius Institute of Directors are responsible for the integrity of the audited financial statements of the Company and the objectivity of the other items of information presented in these statements:

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

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

## (b) Going concern statement

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

## (c) Internal control and risk management

The Board is responsible for the system of Internal Control and Risk Management for the Company. The Company is committed to maintain continuously a sound system of risk management and adequate control procedures with a view of safeguarding its assets.

The Board believes that the Company's systems of internal control and risk management provide reasonable assurance that control and risk issues are identified, reported on and dealt with appropriately.

## (d) Donations

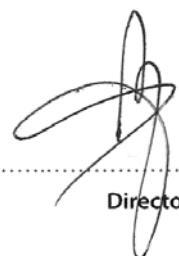
The Company did not make any donations in this financial year.

## (e) Annual Financial Statements

The audited financial statements of the Company which appear on pages 27 to 42 were approved by the Board on  
Aug 05 2011..... and are signed on their behalf by :



Chairman



Director

## SECRETARY'S CERTIFICATE

We confirm that to the best of our knowledge and belief, the Company has filed with the Registrar of Companies, for the financial year ended 30 June 2011, all such returns as are required of the Company under the Companies Act 2001.



**Caryl Rey**  
**For and on behalf of**  
**Consec Ltd**  
**Company Secretary**

**Date: 5 August 2011**

# **MOORE STEPHENS**

## **Mauritius**

6th Floor, Newton Tower  
Sir William Newton Street  
Port Louis, Republic of Mauritius.

# **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAURITIUS INSTITUTE OF DIRECTORS**

This report, including the opinion, has been prepared for and only for the company's members, as a body, in accordance with Section 205 of the Mauritius Companies Act 2001 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **Report on the Financial Statements**

We have audited the financial statements of Mauritius Institute of Directors (The "Company"), set out on pages 27 to 42, which comprise the statement of financial position as at 30 June 2011 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

### **Directors' responsibility for the Financial Statements**

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair representation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditors' responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the company's preparation and fair presentation of the financial statements 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

# **MOORE STEPHENS**

## **Mauritius**

6th Floor, Newton Tower  
Sir William Newton Street  
Port Louis, Republic of Mauritius.

# **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAURITIUS INSTITUTE OF DIRECTORS (continued)**

## **Opinion**

In our opinion, the financial statements on pages 27 to 42 give a true and fair view of the financial position of the Company at 30 June 2011 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Mauritius Companies Act 2001.

## **Report on Other Legal and Regulatory Requirements**

We have no relationship with or interests in the Company other than in our capacity as auditors.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records



**MOORE STEPHENS**  
Chartered Accountants

A handwritten signature of Ghanshyam Hurry in black ink.

GHANSHYAM HURRY F.S.C.A.  
CHARTERED CERTIFIED ACCOUNTANT

PORt LOUIS  
MAURITIUS

DATE: 05 AUG 2011.....

**MAURITIUS INSTITUTE OF DIRECTORS**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2011**

<b>ASSETS</b>	<b>Notes</b>	<b>2011</b>	<b>2010</b>
		<b>Rs</b>	<b>Rs</b>
<b>Non-current assets</b>			
Plant and equipment	5	<b>792,598</b>	942,762
<hr/>			
<b>Current assets</b>			
Trade and other receivables	6	<b>866,236</b>	632,377
Cash and cash equivalents	7	<b>4,621,518</b>	4,205,087
<hr/>			
<b>TOTAL ASSETS</b>		<b>6,280,352</b>	5,780,226
<hr/>			
<b>ACCUMULATED FUNDS AND LIABILITIES</b>			
Members' funds	8	<b>4,237,302</b>	4,002,109
<hr/>			
<b>Current liabilities</b>			
Trade and other payables	9	<b>977,636</b>	769,732
Deferred revenue	10	<b>960,750</b>	904,250
Bank overdraft	7	<b>104,664</b>	104,135
<hr/>			
		<b>6,280,352</b>	5,780,226
<hr/>			

Approved by the Board of Directors and authorised for issue on ..... Aug 05 2011



DIRECTOR



DIRECTOR

The notes on pages 31 to 42 form an integral part of these financial statements.

**MAURITIUS INSTITUTE OF DIRECTORS**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2011**

		<b>2011</b>	<b>2010</b>
<b>INCOME:</b>	<b>Notes</b>	<b>Rs</b>	<b>Rs</b>
Corporate patrons contribution and donations		<b>4,575,000</b>	4,500,000
Interest received		<b>131,919</b>	221,314
Members subscriptions		<b>1,170,400</b>	703,500
Seminar revenue		<b>5,766,868</b>	1,596,750
Affinity revenue		<b>12,750</b>	-
<b>Total income</b>	<b>3 ( c )</b>	<b>11,656,937</b>	7,021,564
<b>EXPENDITURE:</b>			
Audit fees		<b>96,250</b>	57,500
Bank charges		<b>6,702</b>	3,173
Computer software and licence		<b>86,943</b>	46,227
General expenses		<b>35,631</b>	17,200
AGM expenses		<b>34,500</b>	-
Rental of equipment		<b>5,175</b>	-
Members' networking event expenses		<b>40,825</b>	-
Debtors written off		<b>74,172</b>	13,150
Depreciation		<b>293,442</b>	114,685
Insurance		<b>52,211</b>	30,117
Electricity		<b>55,147</b>	10,000
Gifts and donations		<b>-</b>	5,000
Entertainment		<b>51,210</b>	-
Legal expenses		<b>279,450</b>	28,050
Licences and taxes		<b>10,500</b>	70,533
Professional fees		<b>267,374</b>	421,413
Provision for impairment of debtors		<b>27,500</b>	87,773
Public relation expenses		<b>439,300</b>	409,652
Overseas travelling		<b>167,860</b>	-
Rent and property expenses		<b>482,302</b>	320,006
Repairs		<b>23,724</b>	38,082
Salaries and personnel costs		<b>4,392,947</b>	2,771,187
Secretarial services		<b>197,050</b>	55,950
Seminar expenses		<b>3,931,276</b>	1,392,179
Stationery and printing		<b>245,529</b>	131,768
Telephone		<b>124,724</b>	57,205
<b>Total expenditure</b>		<b>11,421,744</b>	6,080,850
<b>SURPLUS OF INCOME OVER EXPENDITURE</b>		<b>235,193</b>	940,714

The notes on pages 31 to 42 form an integral part of these financial statements.

**MAURITIUS INSTITUTE OF DIRECTORS**  
**STATEMENT OF CHANGES IN MEMBERS' FUNDS**  
**FOR THE YEAR ENDED 30 JUNE 2011**

	<b>Members' funds</b>	<b>Total</b>
	<b>Rs</b>	<b>Rs</b>
<b>Balance as at 01 July 2009</b>		
As previously stated	3,546,645	3,546,645
Prior year adjustments	(485,250)	(485,250)
As restated	3,061,395	3,061,395
Surplus of income over expenditure	940,714	940,714
<b>Balance as at 30 June 2010</b>		
Surplus of income over expenditure	235,193	235,193
<b>Balance as at 30 June 2011</b>		
	<b>4,237,302</b>	<b>4,237,302</b>

The notes on pages 31 to 42 form an integral part of these financial statements.

**MAURITIUS INSTITUTE OF DIRECTORS**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2011**

	<b>2011</b>	<b>2010</b>
	<b>Notes</b>	<b>Rs</b>
Surplus of income over expenditure	<b>235,193</b>	940,714
Adjustments for:		
Interest received	(131,919)	(221,314)
Depreciation	293,442	114,685
Provision for impairment of debtors	27,500	87,773
	<b>424,216</b>	921,858
<b>Movements in working capital</b>		
Increase in trade and other receivables	(261,359)	(544,837)
Increase in trade and other payables	207,904	521,611
Increase in deferred revenue	56,500	419,000
	<b>427,261</b>	1,317,632
<b>Cash flows generated from operating activities</b>		
Purchase of plant and equipment	(143,278)	(898,046)
Interest received	131,919	221,314
	<b>415,902</b>	640,900
<b>Movements in cash and cash equivalents</b>		
Cash and cash equivalents at the beginning of the year	4,100,952	3,460,052
Cash and cash equivalents at the end of the year	7	4,516,854
	<b>415,902</b>	640,900

The notes on pages 31 to 42 form an integral part of these financial statements.

# MAURITIUS INSTITUTE OF DIRECTORS

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2011

#### **1. CORPORATE INFORMATION**

Mauritius Institute of Directors is a company incorporated in Mauritius on 18 January 2008 as a company limited by guarantee.

The principal object of the company is that of promoting corporate governance and providing a professional forum for directors. The principal place of business and registered office is 1st Floor, Raffles Tower, 19 Cybercity, Ebene, Mauritius.

#### **2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)**

##### **2.1 New and revised IFRSs affecting amounts reported in the current year (and/or prior years)**

The following new and revised Standards and Interpretations have been adopted in the current year and have affected the presentation and disclosure but not the amounts reported in these financial statements. Details of other Standards and Interpretations adopted in these financial statements but that have had no effect on the amounts reported are set out in section 2.2

###### **2.1.1 Standards, amendments and interpretations effective in 2011**

- Amendments to IAS 7 Statement of Cash Flows (as part of Improvements to IFRSs issued in 2009).
  - The amendments to IAS 7 specify that only expenditures that result in a recognised asset in the statement of financial position can be classified as investing activities in the statement of cash flows.
- Amendments to IFRS 5 Non-current Assets Held for Sale and Discontinued Operations (as part of Improvements to IFRSs issued in 2009).

The amendments to IFRS 5 clarify that the disclosure requirements in IFRSs other than IFRS 5 do not apply to non-current assets (or disposal groups) classified as held for sale or discontinued operations unless those IFRSs require (i) specific disclosures in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations, or (ii) disclosures about measurement of assets and liabilities within a disposal group that are not within the scope of the measurement requirement of IFRS 5.

Since the changes in accounting policies only impacts on presentation aspects, there is no impact on the reported results.

###### **2.2 Standards, amendments and interpretations effective in 2011 but not relevant to the Company's operations**

- IFRS 1 First-time Adoption of International Financial Reporting Standards - Additional Exemptions for First-time Adopters (Amendments). (Effective for annual periods beginning on or after 01 January 2010).

# MAURITIUS INSTITUTE OF DIRECTORS

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2011

#### **2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (Continued)**

##### **2.2 Standards, amendments and interpretations effective in 2011 but not relevant to the Company's operations (continued)**

- IFRS 1 First-time Adoption of International Financial Reporting Standards - Additional Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters. (Effective for annual periods beginning on or after 1 July 2010).
- IFRS 2 Group Cash-settled Share-based Payment Arrangements. (Effective for annual periods beginning on or after 01 January 2010).
- IAS 32 Financial Instruments: Presentation - Classification for Right Issues (Amendment). (Effective for annual periods beginning on or after 1 February 2010).
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments. (Effective for annual periods beginning on or after 1 July 2010).
- Improvements to International Financial Reporting Standards (issued 2009) other than those adopted as explained in Note 2.2. (Effective for annual periods beginning on or after 01 January 2010).
- Improvements to International Financial Reporting Standards (issued 2010). (Effective for annual periods beginning on or after 1 July 2010).

##### **2.3 Standards, amendments and interpretations to existing standards that are not yet effective and not relevant for the Company's operations**

- IFRS 1 First-time Adoption of International Financial Reporting Standards (Amendment) - Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters. (Effective for annual periods beginning on or after 1 July 2011).
- IFRS 7 Financial Instruments: Disclosures (Amendment). (Effective for annual periods beginning on or after 1 July 2011).
- IAS 24 Related Party Disclosures (Revised). (Effective for annual periods beginning on or after 1 January 2011).
- IFRIC 14 Prepayments of a Minimum Funding Requirement (Amendment). (Effective for annual periods beginning on or after 1 January 2011).
- Improvements to International Financial Reporting Standards (issued 2010). (effective for periods beginning on or after 1 January 2011).
- IFRS 9 Financial Instruments - Classification and Measurement. (Effective for annual periods beginning on or after 1 January 2013).
- IAS 12 Income Taxes (Amendment) - Deferred Taxes: Recovery of Underlying Assets. (Effective for annual periods beginning on or after 1 January 2012).

# MAURITIUS INSTITUTE OF DIRECTORS

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2011

#### 3. SIGNIFICANT ACCOUNTING POLICIES

##### (a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards.

##### (b) Basis of preparation

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

##### (c) Revenue recognition

###### (i) Subscription and members contribution

Subscription and contribution from members are released to the income and expenditure account over the period to which they relate.

###### (ii) Corporate patrons contributions and donations

Corporate patrons contributions and donations are recognised as income over the period necessary to match them with the costs for which they are intended to compensate.

###### (iii) Seminar revenue

Seminar revenue is recognised as income in the period in which the seminar is held.

###### (iv) Interest income

Interest income is accounted on a time-proportion basis.

##### (d) Deferred revenue

Seminar revenue billed during the year for seminars held after the year end is recognised as deferred revenue in the statement of financial position at year end.

Members subscriptions billed during the year for the period extending beyond the year end are recognised as deferred revenue in the statement of financial position at year end.

# MAURITIUS INSTITUTE OF DIRECTORS

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2011

#### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### (e) Cash and cash equivalents

Cash comprises of cash at bank and in hand, demand deposits and bank overdrafts. Cash equivalents are short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

##### (f) Functional and presentation currency

###### (i) Reporting currency

The financial statements are presented in Mauritian Rupee, which is the Company's functional and presentation currency and represents the currency of the primary economic environment in which the entity operates.

###### (ii) Transactions and balances

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities in foreign currencies at year end exchange rates are recognised in the statement of comprehensive income.

##### (g) Deferred tax

Deferred taxation is provided using the liability method on all temporary differences at the date of the statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Temporary differences arise mainly from depreciation on property, plant and equipment, revaluation of certain non-current assets, tax losses carried forward and on retirement benefit obligations.

No provision for deferred tax has been made in the accounts since the effect is not material.

##### (h) Financial liabilities

Financial liabilities, including loans from related parties, are stated at fair value, which is normally the face value of the loans.

# MAURITIUS INSTITUTE OF DIRECTORS

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2011

#### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### (i) Related parties

Related parties are considered to be related if one party has ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

##### (j) Financial Instruments

Financial instruments carried on the statement of financial position include trade and other receivables, cash and cash equivalents and trade and other payables. The particular recognition methods adopted are disclosed in the individual accounting policy statements associated with each item.

##### (k) Borrowing costs

Borrowing costs are recognised as an expense in the year in which they are incurred.

##### (l) Trade and other receivables

Trade and other receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

##### (m) Trade and other payables

Trade and other payables are stated at their nominal value.

##### (n) Provisions

Provisions are recognised when the company has a present or constructive obligation as a result of past events which it is probable will result in an outflow of economic benefits that can be reasonably estimated.

##### (o) Impairment of assets

At the end of each reporting year, the Company reviews the carrying amounts of its tangible and intangibles assets to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset's net selling price and value in use.

# MAURITIUS INSTITUTE OF DIRECTORS

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2011

#### **4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Company's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the period of the revision and future periods if the revision affects both current and future periods.

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

##### **4.1 Key sources of estimation uncertainty**

With regards to the nature of the Company's business there were no key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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**FOR THE YEAR ENDED 30 JUNE 2011**

**5. PLANT AND EQUIPMENT**

	<b>Leasehold improvement</b>	<b>Computer equipment</b>	<b>Office furniture</b>	<b>Total</b>
<b>COST</b>	<b>Rs</b>	<b>Rs</b>	<b>Rs</b>	<b>Rs</b>
<b>At 01 July 2010</b>	858,201	134,964	101,401	1,094,566
Additions	-	140,898	2,380	143,278
<b>At 30 June 2011</b>	858,201	275,862	103,781	1,237,844
<b>DEPRECIATION</b>				
<b>At 01 July 2010</b>	47,196	68,772	35,836	151,804
Charge for the year	214,550	53,344	25,548	293,442
<b>At 30 June 2011</b>	261,746	122,116	61,384	445,246
<b>NET BOOK VALUE</b>				
<b>At 30 June 2011</b>	<b>596,455</b>	<b>153,746</b>	<b>42,397</b>	<b>792,598</b>
At 30 June 2010	811,005	66,192	65,565	942,762

	<b>2011</b>	<b>2010</b>
	<b>Rs</b>	<b>Rs</b>
<b>6. TRADE AND OTHER RECEIVABLES</b>		
Trade receivables	829,270	682,650
Less: Provision for impairment of debtors	(27,500)	(87,773)
	801,770	594,877
Deposits	37,600	33,000
Prepayments	26,866	4,500
	866,236	632,377
Ageing of net receivables		
Less than 3 months	739,120	273,900
More than 3 months	90,150	408,750
	829,270	682,650

Taking into consideration the credit quality of the trade receivables, the company considers that no further provision for impairment is required on trade receivables other than the above provision of Rs. 27,500.

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	<b>2011</b>	<b>2010</b>
	<b>Rs</b>	<b>Rs</b>
<b>7. CASH AND CASH EQUIVALENTS</b>		
MPCB deposit account	4,300,000	2,800,000
Bank savings accounts	319,518	1,404,393
	<hr/>	<hr/>
Bank current account	4,619,518	4,204,393
Cash in hand	(104,664)	(104,135)
	2,000	694
	<hr/>	<hr/>
	<b>4,516,854</b>	4,100,952
	<hr/>	<hr/>
<b>8. ACCUMULATED FUNDS</b>		
Members' funds	4,237,302	4,002,109
	<hr/>	<hr/>
<b>9. TRADE AND OTHER PAYABLES</b>		
Trade payables	342,154	463,357
Accruals and other payables	635,482	306,375
	<hr/>	<hr/>
	<b>977,636</b>	769,732
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No interest is charged on trade payables. The company aims to ensure that all payables are paid within the credit timeframe, usually within one month.		
<b>10. DEFERRED REVENUE</b>		
The deferred income are in respect of:		
(i) Seminar revenue billed during the year for seminars held after the year end	137,000	286,750
(ii) Members subscriptions billed during the year for the period extending beyond the year end	610,500	317,500
(iii) Contribution received during the year for the next financial period	175,000	300,000
(iv) Affinity revenue	38,250	-
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	<b>960,750</b>	904,250
	<hr/>	<hr/>

# MAURITIUS INSTITUTE OF DIRECTORS

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2011

#### **11. TAXATION**

No provision has been made for taxation as the company is classified as a charitable institution under the Income Tax Act 1995 and is therefore exempt from income tax. This exemption has been confirmed by a written correspondence received from the MRA on the 27 September 2010.

	<b>2011</b>	<b>2010</b>
	<b>Rs</b>	<b>Rs</b>
(i) Lease rentals under operating leases expensed	-	320,006

The above operating lease was terminated during the year ended 30 June 2010.

(ii) Non cancellable operating lease rentals		
Within 1 year	<b>393,700</b>	372,000
After 1 year and up to 3 years	<b>433,070</b>	859,320
	<b>826,770</b>	1,231,320

(iii) The company leases premises under operating lease for an average period of 3 years with a clause providing for increase in rental to cater for inflation.

#### **13. RELATED PARTY TRANSACTIONS**

(i) There were no related party transactions during the year and no outstanding balances due at year end.

(ii) Compensation to key management personnel:

The emoluments paid to the Chief Executive Officer during the year under review was Rs.3,191,796  
(year ended 30 June 2010: Rs.2,307,500)

#### **14. LIABILITY OF MEMBERS**

In terms of its constitution, members and fellows of the Mauritius Institute of Directors have each guaranteed to contribute a maximum of Rs. 100 should there be a shortfall in net assets in the event of the company being wound up. As at the date of these financial statements there were 223 fellows and 270 members of the company to whom this guarantee applies.

# MAURITIUS INSTITUTE OF DIRECTORS

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2011

#### **15. FINANCIAL INSTRUMENTS**

The Company's activities expose it to a variety of financial risks such as credit risk, interest rate risk and liquidity risk.

##### **Fair values**

The carrying amount of financial assets and financial liabilities approximate their values.

##### **Categories of financial instruments**

	<b>2011</b>	<b>2010</b>
	Rs	Rs
<b>Financial assets</b>		
Trade and other receivables	839,370	627,877
Cash and cash equivalents	4,621,518	4,205,087
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	5,460,888	4,832,964
	<hr/>	<hr/>
<b>Financial liabilities</b>		
Trade and other payables	977,636	769,732
Bank overdraft	104,664	104,135
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	1,082,300	873,867
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##### **Credit risk**

The company's credit risk is primarily attributable to its trade receivables. The amounts presented in the statement of financial position are net of allowances for doubtful debts, if any, estimated by the company's management based on prior experience.

##### **Interest rate risk**

The company is exposed to interest rate risk as it receives interests on its interest bearing assets at floating rates.

The interest rate profile of the financial assets at 30

June was:

	Balance with bank	
	- floating interest rate	
	<b>2011</b>	<b>2010</b>
	%	%
<b>Financial assets</b>		
Mauritian rupees	4.5	4.5
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# MAURITIUS INSTITUTE OF DIRECTORS

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2011

#### **15. FINANCIAL INSTRUMENTS (CONTINUED)**

##### **Interest rate sensitivity analysis**

The sensitivity analysis below has been determined based on the exposure to interest rates for the non-derivative instruments at the reporting date. For floating rate assets, the analysis is prepared assuming the amount of assets at the reporting date was owned for the whole year. A 50 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the company's surplus for the year ended 30 June 2011 would increase/decrease by Rs. 22,585 (year ended 30 June 2010: increase/decrease by Rs. 17,000). This is mainly attributable to the company's exposure to interest rates on its floating rate interest bearing asset. The company does not have any significant variable rate borrowings outstanding at year end.

##### **Liquidity risk management**

The company manages liquidity risk by maintaining adequate cash and borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The maturity profile of the financial instruments is summarised as follows:

<b>2011</b>	Less than 1 month	Total
<b>Financial assets</b>	Rs	Rs
Trade and other receivables	839,370	839,370
Cash and cash equivalents	4,621,518	4,621,518
	<hr/>	<hr/>
	5,460,888	5,460,888
	<hr/>	<hr/>
<b>Financial liabilities</b>		
Trade and other payables	977,636	977,636
Bank overdraft	104,664	104,664
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	1,082,300	1,082,300
	<hr/>	<hr/>

Note: Prepayments are excluded from financial assets.

# MAURITIUS INSTITUTE OF DIRECTORS

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2011

#### **15. FINANCIAL INSTRUMENTS (CONTINUED)**

The maturity profile of the financial instruments is summarised as follows (continued):

**2010**

	Less than 1 month Rs	Total Rs
<b>Financial assets</b>		
Trade and other receivables	627,877	627,877
Cash and cash equivalents	4,205,087	4,205,087
	<hr/>	<hr/>
	4,832,964	4,832,964
	<hr/>	<hr/>
<b>Financial liabilities</b>		
Trade and other payables	769,732	769,732
Bank overdraft	104,135	104,135
	<hr/>	<hr/>
	873,867	873,867
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Note: Prepayments are excluded from financial assets.

#### **16. EVENTS AFTER THE REPORTING PERIOD**

There are no events after the reporting period which may have a material effect on the financial statements as at 30 June 2011.

