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KEY DATA AND HIGHLIGHTS

Members Growth 2008 - 2012

Retention 2011/2012

Members by Sector

Active Members 2011/2012

2011/2012 Events

Total Number of Participants attending training workshops and forums for year 2011/2012 = 1025
MAURITIUS INSTITUTE OF DIRECTORS

BOARD OF DIRECTORS

Georges Leung Shing  
Board Chairman and Chairman - Nominations and Membership Committee

Devapragassen Armoogum  
Vice Chairman and Chairman - Education Committee

James Benoit  
Chairman – Audit & Risk Committee

Pierre Dinan

Catherine Dvorak  
Appointed at Annual Meeting of 21 September 2011

Vaughan Heberden  
Appointed at Annual Meeting of 21 September 2011

Danielle Lagesse  
Appointed at Annual Meeting of 21 September 2011

Ravin Lama  
Appointed at Annual Meeting of 21 September 2011

Arjoon Suddhoo

Appalsamy Thomas

Jane Elizabeth Orde Valls  
Chief Executive Officer

Richard Wooding  
Chairman – Corporate Governance Committee

Aruna Lata Vidia Collendavelloo  
Resigned at Annual Meeting of 21 September 2011

Sultana Joonas  
Resigned at Annual Meeting of 21 September 2011

George J Dumbell  
Resigned at Annual Meeting of 21 September 2011

COMPANY SECRETARY

Consec Ltd  
7th Floor, Intendance Street  
Anglo Mauritius House  
Intendance Street  
Port Louis

CHIEF EXECUTIVE OFFICER

Jane Elizabeth Orde Valls

REGISTERED OFFICE

1st Floor, Raffles Tower,  
19, Cybercity, Ebene, Mauritius
On behalf of the Mauritius Institute of Directors (MioD), I am pleased to make the following Statement to our members for the year ended 30 June 2012.

**Overview**

The global economy continues to be rocked by corporate scandals and other accounting improprieties that have shaken investor confidence in the honesty and integrity of corporations in their conduct of business.

More than ever, we need good corporate governance practices combined with effective leadership skills and underpinned by a strong ethical culture.

Mauritius has come a long way since a modern Companies Act was put in place in 2001 and the Code of Corporate Governance was published in October 2004. We have been rated number 1 out of 53 African countries by the Mo Ibrahim Index for African Governance for the 5th consecutive year and the latest Report on the Observance of Standards and Codes (ROSC) on Corporate Governance in Mauritius, published by the World Bank in May this year, states that “Mauritius is an international leader in many respects, especially in the area of board practices and disclosures. Across most of the aspects of good corporate governance as defined by the OECD Principles, Mauritius is now on par with many market leaders in Asia (such as India, Thailand and Malaysia)”. However, the situation in Mauritius can still be significantly improved with many companies having yet to adapt to the requirements and best practices of the new business environment.

Today, the world moves at a very fast pace and we need to keep up and ensure that Mauritius stays ahead of the game. We must ensure that we position ourselves as regional leaders in Corporate Governance in order to maintain investor confidence and improve credit ratings in the global arena. Compliance with international standards and codes has become the basic condition for a country to fully integrate the new economic environment. The international community views good governance as a platform for all stakeholders to achieve higher standards of responsibility, transparency and business ethics. The adoption of good corporate governance principles is now a condition imposed by the market and by stakeholders. It is no longer enough for organizations to be effective and efficient: responsibility and accountability have become ever more important.

The MioD has been supporting the view of the National Committee on Corporate Governance (NCCG) that it is time for a revision of the Code of Corporate Governance and we hope to see this come to fruition in the next 12 months.

The MioD’s key role, at the forefront of good corporate governance, is to develop better informed and more effective directors. From practical guidance and a better understanding of the various aspects of corporate governance, to helping directors improve their knowledge and skills, the MioD has in the past year aimed to promote a greater awareness of directors’ roles and responsibilities and their broader role in society, while at the same time promoting a new culture of directorship and professional development.

**New Initiatives and Highlights**

The last year has seen some significant new initiatives at the MioD.

We hosted the first International Conference on Corporate Governance and Sustainability in Mauritius at Sugar Beach Resort from 15-17 September 2011 in collaboration with the NCCG and the Asian Centre for Corporate Governance. The Conference has helped to enhance the image of Mauritius as a regional player and position the country as an active participant in the global world of governance.

In October 2011, we launched our Directors’ Register, creating for the first time in Mauritius a databank of independent directors.

And in January 2012, we started the Directors’ Forum. The Forum is made up of directors from varying backgrounds from the private and the public sector and acts as an advisory council to the MioD. Through the members’ expertise, representation and guidance on key issues, the Forum will identify issues which are of most concern to directors, produce position documents and best practice guidelines and, through consultation with Government and Regulators, contribute to policy development. While the Forum is still in its infancy, the MioD hopes that it will become the premier voice of governance and directorship in Mauritius. I take this opportunity to thank all those who sit on the Forum and give their time freely and generously.

We have in 2011/12 received a good number of distinguished visitors and overseas facilitators including Alex Berg, Program Manager, Corporate Governance Group, The World Bank Group; Tony Dixon, ex CEO and Consultant to the IOD Southern Africa; Paul Lugard, Assistant Professor, Tilburg Law and Economic Center, Holland; Nasser Munjee, Chairman of Reid & Taylor (India) Ltd and the Development Credit Bank, India; Dany Leipzigger, Managing Director, Growth Dialogue; and Bert van Walbeek, Managing Director of the Winning Edge, as
well as the many distinguished speakers at our International Conference led by Prof Mervyn King. Throughout the year, we have benefited from the expertise of our team of local trainers and facilitators as well as many local experts whom I would like to thank whole heartedly for their support.

We have renewed our successful collaboration with the Ethics Institute of South Africa (Ethics SA) and take this opportunity to thank them and the Global Corporate Governance Forum for the use of their training materials as well as their invaluable support.

**Growth**

Our steady membership growth over the last 12 months is encouraging and testifies to the interest in our activities. As an institute, we depend on membership for our future sustainability. The MIoD now has 700 members and annual subscription fees remain modest and very accessible, with a good range of benefits, including the MIoD Members Card and Membership Programme, the MIoD Library and On-Line Documentation Centre, our quarterly Newsletter “Direction”, special members’ events and new links and reciprocal arrangements with many other IODs. According to the World Bank, we are one of the fastest growing IODs in the world.

We have this year undertaken some research to help us increase our Associate membership in order to nurture the future generation of directors and business leaders and this will be a focus for us to work on in the coming year.

**Founders and Patrons**

All of these achievements, however, would not have been possible without the continuing support of our Founders and Patrons. Several new Patrons have made contributions during this year and we gratefully acknowledge the significant value of all of these contributions. The MIoD will continue to rely on funding by our Founders and Patrons for some time as we continue to grow our membership and develop our services.

**Strategy**

We have reviewed our 3 year plan, but have maintained our ambitious growth strategy to ensure your Institute’s sustainability. Our membership, will be expanded, while retaining our members through quality, reliable, focused and flexible services with an increasing range of benefits. We will continue to develop not only our training and education programme with new and interesting public and in-house workshops and overseas facilitators, but also our information services, newsletters, library and publications. We will build on the new services launched this year including the Directors’ Register and Independent Directors’ Search Service, and the Board Appraisals Service. New links will be established with other IODs and similar institutions around the world, while strengthening our collaboration with local organisations. The MIoD’s visibility will increase this year on the occasion of its 5th Anniversary celebration, with more focused members’ events and PR activities. The MIoD will also continue to position itself as an intellectual leader in directorship and modern corporate governance issues through the Directors Forum and by initiating research.

**Independence and Appreciation**

The MIoD remains a private independent not-for-profit organisation regulated by the Companies Act. The MIoD’s achievements would not be possible without the dedication and commitment of my fellow directors, who serve on a voluntary pro-bono basis, the leadership of the CEO and the hard work and valuable contribution of the staff of the MIoD. It has been a pleasure to work with them and I thank them all for their valuable support during the last 12 months.
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 and has been approved by the Mauritius Revenue Authority as a Charitable Institution for income tax purposes.

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.

Constitution
A copy of our Constitution, which was adopted at the Annual Members Meeting (AMM) on 19 August 2010, is available on our website www.miod.mu or at our offices for consultation. The MIoD, being a company limited by guarantee, all its Members and Fellows have each duly undertaken to contribute a maximum of 100 Mauritian Rupees in the event of winding up.

Reserve
The surplus of revenue over expenditure in the accompanying financial statements constitutes the accumulated fund. No part of the fund may be paid out to the members of the MIoD.

Company Secretary
The Board of the MIoD appointed as Company Secretary, ConSec Ltd, of 7th Floor, Anglo Mauritius House, 4 Intendance Street, Port Louis, in September 2010. Mrs Caryl Rey, M.Phil ACIS, of ConSec Ltd or her deputy, attends all meetings of the Board and its 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 Founders and Patrons during this financial year:

Founders
Air Mauritius Ltd
BAI Co (Mtius) Ltd
CIEL Group
Currimjee Jeewanjee & Co Ltd
ENL Limited
Food and Allied Industries Ltd
GML
Hong Kong and Shanghai Banking Corporation Ltd
Ireland Blyth Ltd
Leal & Co Ltd
Mauritius Commercial Bank Ltd
Mauritius Telecom Ltd
Rogers & Company Ltd
State Bank of Mauritius Ltd
Terra
Total Mauritius Ltd

Patrons
AfrAsia Bank Ltd
Banque des Mascareignes Ltee
Barclays Bank Plc
CIM Group
Deutsche Bank (Mauritius) Ltd
Engen Petroleum (Mauritius) Ltd
Essar Group
Harel Mallac & Co Ltd
Indian Oil (Mauritius) Limited
International Distillers (Mauritius) Ltd
Investec Bank (Mauritius) Ltd
Mauritius Duty Free Paradise Co Ltd
Mauritius Post and Cooperative Bank Ltd
Mauritius Union Group
Medine Ltd
Omnicane Ltd
Phoenix Beverages Ltd
SBI International (Mtius) Ltd
Standard Bank (Mtius) Ltd
Swan Group
Membership
At 30 June 2012, the membership was 708 (+ 40% growth), broken down into the following categories:
26 Associates + 117% increase
377 Members + 39% increase
305 Fellows + 36% increase
18 members (3.6%) have resigned largely due to moving overseas, illness or being no longer professionally active. Members come from all sectors of the economy with a large proportion coming from the Financial Services and Business and Professional Services sectors.

Membership is targeted to grow by 28% in the coming year 2012-13 to reach 900 members by 30 June 2013 with an ultimate target of 1,300 members by 30 June 2015.

Membership queries and requests for information have been numerous throughout the year, attesting to the confidence in the MIoD as a professional organisation and a reliable source of information for business and corporate governance.

In 2012, the MIoD has specifically commissioned a qualitative research project with TNS Analysis in order to help the Institute understand the needs of young professionals and identify strategies to target and cater for this segment. The research’s results will enable the MIoD to better position itself to recruit Associate Members and nurture the directors of the future.

The MIoD has also undertaken a general annual survey of its members and their views and opinions of our services. However, as the response rate was very low, members will now be surveyed on a monthly basis during workshops to ensure that their needs are being met.

MIoD members have been sent their updated Membership Card for 2012-13.

MISSION
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.

VALUES
• Integrity
  - Leading Mauritian companies and institutions to international best practices 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.
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
- Atelier Dumont
- CIM Insurance
- Concorde Travel
- Espace Beauté
- Esprit
- FedEx Express
- G-tech
- Hemisphere Sud
- Hennessy Park Hotel
- Hertz
- Hugo Boss
- Karl Kaiser
- Labourdonnais Waterfront Hotel
- Mauritius Telecom
- Otayo
- Oxygen
- Permoglaze
- Phoenix Beverages
- Ralph Lauren
- Le Suffren
- Temple Law Books and
- 20/Vin.

Annual membership fees have been increased for the first time since the foundation of the MIoD over four years ago, and are as from 1 July 2012:

Associate – Rs 1,200
Member – Rs 2,400
Fellow – Rs 3,600

The above fees will be invoiced to new members admitted as from 1 July 2012 along with a non-refundable application fee of Rs 750 and to existing members as from the beginning of the next membership year i.e. 1 January 2013. Members are being encouraged to pay by standing order.

MloD Staff

One new team member, Sandrina Rasen, was recruited during the year as Administration Officer, bringing the administration team to three in all with Geeta Virah Sawmy-Mootien as Sales and Administration Executive and Ganessen (Wayne) Gurunaden as Accounts and Administration Coordinator. The Directors take this opportunity to thank them all for their hard work in helping to achieve the MloD’s objectives during 2011/12. In order to achieve the MloD’s targets as per the updated 3 year Business Plan, a 4th administrative staff member is currently being recruited to enhance the team.

Directors

Three Directors, namely Aruna Collendavelloo, George Dumbell and Sultana Joonas, notified their intention to the Board that they would be stepping down at the AMM in September 2011. The Nomination Procedures were followed and invitations to all the MloD members to serve as directors were advertised. Three nominations were received and recommended by the MloD Nominations Committee to the Board, which had first established that the nominees met the criteria:

- active and compliant member of the MloD
- good reputation
- strong interest in promoting Corporate Governance
- share MloD values
- commitment
- board experience
- Corporate governance expertise
- independence
- specific expertise, skills and competencies
When making its recommendations, the Nomination Committee also took into consideration the variety of skills and competences needed on the MIoD Board as well as ensuring a good mix of age and gender.

Appointments approved at the AMM on 21 September 2011:

<table>
<thead>
<tr>
<th>NAME</th>
<th>POSITION</th>
<th>COMPANY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Catherine Dvorak</td>
<td>Chartered Accountant</td>
<td>Private Consultant</td>
</tr>
<tr>
<td>Vaughan Heberden</td>
<td>CEO</td>
<td>CIM Group</td>
</tr>
<tr>
<td>Ravin Lama</td>
<td>Executive Director</td>
<td>AAPCA Mauritius</td>
</tr>
</tbody>
</table>

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.

The Directors would like to place on record their appreciation of the contributions of Aruna Collendavelloo, George Dumbell and Sultana Joonas to the Board and to the growth and development of the MIoD during the past years.

Directors Register

The MIoD launched the Directors’ Register in November 2011. The objectives of this new and important service are two fold:

- To help local and foreign companies recruit independent non-executive directors
- To assist MIoD members to find new or additional board placements as independent non-executive directors

The service is only available to Members and Fellows and is free of charge as one of the membership benefits. Members must complete a separate Registration Form. This is a matching service and not a vetting service. Any company wishing to take advantage of this service is required to submit a profile for the search to be conducted. Any Member or Fellow, whose name is on the Register with a matching profile, is then contacted by the MIoD to confirm if they wish their name to be proposed. Once confirmed, a list of names is then submitted to the company who liaises directly with the candidates. This service is free for Founders and Patrons and there is a small fee for other companies.

The MIoD can extend this search to overseas IODs if local companies wish to find a specific expertise that is not available locally or are looking for specific overseas experience. The International Finance Corporation (IFC) is also now using our Directors Register when appointing Nominee Directors to serve on boards of IFC equity investment clients. IFC Nominee Directors will serve in their individual capacity, consistent with the fiduciary responsibility of board members, and not as representatives of the IFC as a shareholder.

To date, we have some 75 directors on the Register and have conducted approximately 10 searches. The demand for this service is expected to grow as more companies would need to diversify and find truly independent directors with specific skills.

Directors Forum

The MIoD has launched this second important initiative in January 2012. The MIoD is increasingly being asked to do more than promote good Corporate Governance. Our members are also asking us to focus on Directors’ issues and to be a voice for Directors. As a result of this feedback, the MIoD has set up the Directors’ Forum whose objectives are to:

- Identify issues which are of most concern to directors
- Produce position documents and, through consultation with Government and regulators, contribute to policy development
- Be the voice for governance and directors’ issues in Mauritius
- Develop guidance on governance issues for directors

The Directors’ Forum (the Forum) has therefore been set up to act as an Advisory Council and a Technical Committee to the MIoD. Collectively, the Forum is made up of members

MEMBERS OF THE FORUM
Pierre Dinan – Chairman
Clairette Ah Hen
Deva Armoogum
Sunil Benimadhu
Jean Paul de Chazal
Prabha Chinien
Aruna Collendavalloo
Girish Dabeesing
Sean Ennis
Gerard Garrioch
Dr Raj Jugurnath
Georges Leung Shing
Cyril Mayer
Megh Pillay
Krish Ponnoosamy
Anita Ramgutty-Wong
Aisha Timol
Jane Valls
Richard Wooding
International Conference
The highlight of the past year was undoubtedly the International Conference on Corporate Governance and Sustainability organised from 15-17 September by the MIoD. 180 delegates from India, South Africa, Singapore, Ghana, Zambia, Uganda, UK, USA, Mauritius and Australia met at Sugar Beach Resort in Mauritius to discuss and debate on corporate governance and sustainability issues.

For the event, the MIoD partnered with the National Committee on Corporate Governance (NCCG) and the Asian Centre for Corporate Governance and Sustainability (ACCGS), which was celebrating its 10th anniversary. Their Chairman, Prof Mervyn King, former Judge of the Supreme Court of South Africa and Chairman of the King Committee on Corporate Governance in South Africa, was one of the keynote speakers at the Conference. The Indian Minister for Corporate Affairs, Dr M Veerappa Moily, was the Chief Guest and led a delegation of 30 high profile participants from India, including Mr Bhaskar Chatterjee, Secretary to the Government of India, Department of Public Enterprises, Ministry of Heavy Industries & Public Enterprises.

The delegates enjoyed two days of stimulating presentations and debate around the theme: “Enhancing Effectiveness of Boards through Corporate Governance Best Practices”. The event started with a full day workshop especially designed for Institutes of Directors and Organisations promoting Corporate Governance in the various jurisdictions. Prof Chris Pierce, CEO, Global Governance Services Ltd, UK, and Member, Global Advisory Board of ACCGS, was the facilitator and delivered a keynote speech on “Global best practices of IoDs around the world”. The workshop covered topics such as: membership, training activities, national, regional and international partnerships and cooperation, marketing, PR and finally, stakeholder relationship management.

The event, a premier in Mauritius, aimed at putting Mauritius in the forefront of corporate governace, was officially opened on 15 September by the Mauritian Deputy Prime Minister, Hon Dr Rasheed Beebeejaun. Dr Veerapa Moily and Mr Bhaskar Chatterjee made special addresses during the Opening Ceremony. The keynote address was delivered by Prof Mervyn King on the topic “Board Mindset - a case for change.” During plenary sessions and panel discussions with a wide range of international and local speakers, participants debated on Board Ethics, Corporate Governance in Banking & Financial Services, Family Businesses, State Owned Enterprises, the Effectiveness of Audit Committees and the issues of Rule v/s Principle Based Governance.

The feedback from delegates was very positive and the whole event was judged to be very successful and enjoyable by presenters, speakers and participants. It is our intention to build on this success for our next International Conference planned for 2013 in partnership with IOD’s of the Africa continent.
Training and Events

All the MIoD training is based on the Global Corporate Governance Forum’s (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 Training Institute by the Mauritius Qualifications Authority. All the MIoD workshops are MQA approved and qualify for HRDC refunds as well as Continuing Professional Development (CPD) units.

The MIoD has developed a pool of freelance trainers and the Directors would like to thank all the trainers who have collaborated with the MIoD this year, including Rev Kim Andersen, Patricia Day-Hookoomsing, Anwar Kaidoo, Benoit Maingard, Françoise White and the CEO, 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 provided their collaboration the past year, especially the members of the National Committee on Corporate Governance.

During the last 12 months, 38 events or seminars have been held with 1025 participants including:

9 Chairman and CEO’s Breakfast Forums on:
- Sustainable Development - A Corporate Responsibility
- Board Strategies to Reduce Risks of Breaking Competition Laws
- Corporate Governance Challenges for Family Owned Businesses
- Growth and Development
- Leading and Building a Responsible Business
- The Art of Persuasion- the 6 Principles of Persuasion
- Africa Macro Outlook- Opportunities & Challenges
- Report on the Observance of Standards and Codes (ROSC) of Corporate Governance
- What do Chairman and CEOs need to know and do to improve their effectiveness?"

13 full day workshops as part of the Directors Development Programme(DPP) on:
- Board Performance and Evaluation
- The Case for Corporate Governance
- Risk Management & Internal Control
- Leading an Ethical Work Culture
- Corporate Sustainability
- Governance of Strategy
- Conflicts of Interest
- Corporate Regulatory & Compliance Framework
- The Board: Practices, Composition, Procedures, Liabilities
- The Role of the Chairman, CEO & Company Secretary
- Disclosure and Transparency

9 Corporate Governance Bytes on:
- How Effective is your Board?
- The Role of the Non-Executive Director
- The Cost of Compliance- is Corporate Governance a Burden or a Driver?
- The Effective Audit Committee
- Director Certification Yes or No?
- Disaster Strikes- Crisis Management
- Directors Are you Liable?
DIRECTOR’S REPORT
FOR THE YEAR ENDED 30 JUNE 2012

- How to Recruit and Induct New Directors
- Directors Remuneration

5 Directors Skills Workshops:
- Finance for Non-Finance Directors
- Financial Crime
- Dispute Resolution
- Risk Prevention and Crisis Management

1 workshop in collaboration with the CFA Institute on the subject “Ethics for Investments Professionals, Trustees and Directors”

The MIoD has run several workshops in collaboration with Ethics SA this year including:
- 1 day workshop on Business Ethics for Finance Professionals
- 3 day Train the Trainer workshop for MIoD Business Ethics Trainers
- 5 day Ethics Officer Certification Programme

The MIoD has now trained a total of 20 Ethics Officers in Mauritius.

Several international speakers have visited Mauritius to participate in these workshops including:
- Tony Dixon, Consultant with the Institute of Directors Southern Africa
- Terrence Berry, CEO and Founder, Asisa Academy and CFA Facilitator, South Africa
- Paul Lugard, Ass. Professor Tilburg Law and Economics Center, Holland
- Nasser Munjee, Chairman of Reid & Taylor (India) Ltd and Development Credit Bank in India
- Danny Leipzigger, Managing Director of the Growth Dialogue and Professor of International Business and International Affairs, George Washington University, USA
- Alexander Berg, Program Manager, Corporate Governance Group, World Bank, USA
- Prof. Deon Rossouw, CEO, EthicsSA, South Africa
- James South, Director of Training, Centre for Effective Dispute Resolution, UK
- Simon Freemantle, Senior Analyst, African Political Economy Unit, Standard Bank, South Africa.
- Bert van Walbeek, Managing Director, The Winning Edge, Thailand
- Prof. Chris Pierce, Chief Executive Officer, Global Governance Services Ltd, UK

The MIoD has also worked in collaboration with several local organisations on some of these events and workshops, including ACCA Mauritius, the Competition Commission, CFA Institute, ICSA, the Institute of Internal Auditors, and the World Bank, and the Directors would like to thank all these organisations for their co-operation and continuing support.

The MIoD will, in 2012/13, be awarding its first Certificates of Intermediate Corporate Governance to members who would have completed all 12 training modules of the Director Development Programme.

During the past year, the MIoD has introduced a pre-purchase package enabling companies to pre-purchase 12 full day workshops in any one year. The pre-purchase strategy has been very successful as it offers companies up to a 50% discount on training workshops and to date 25 packages have been sold. The benefits to the MIoD include improved cash flow, reduced debtors, and 30% of workshop seats pre-sold enabling better planning.

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 private and public organisations and NGOs. It is expected that there will be an increasing demand for in-house workshops going forward.

The CEO, Mrs Jane Valls, has attended the Zimbabwe Institute of Directors “Director of the Year Awards” as their guest speaker in May 2012. She also visited the IOD Southern Africa in February 2012 to develop reciprocal arrangements and greater collaboration.
DIRECTOR’S REPORT
FOR THE YEAR ENDED 30 JUNE 2012

Board Appraisals Service
The MIoD has developed a new service to assist companies with their board appraisals and evaluations. The MIoD now has a range of confidential consultants who can be called upon both in Mauritius and from South Africa, UK or France to help local companies implement this confidential process. While demand is still small for this service, it is anticipated that more and more companies will adopt this best practice in the future.

Networking Events
The MIoD held two Members Networking Events in 2011/12 and both have been well attended. It is planned to increase the number of Networking Events to 4 in the current year. The Directors would like to thank Phoenix Beverages Group for sponsoring these events.

PWC Corporate Reporting Awards
The MIoD again collaborated with PWC by sponsoring the Award for Risk Management Reporting as part of the PWC Corporate Reporting Awards. The Award for 2011 was won by the State Bank of Mauritius Ltd.

Partnerships
In February 2012, the MIoD renewed its MOU with Ethics SA to work together in Mauritius, on projects to build local ethics capacity and issues relating to ethics management and corruption prevention, including sharing of information, training and research. Under the aegis of Ethics SA, the MIoD undertook an Ethics Risk Assessment of the MIoD itself and as a result of this, it has been decided to review and update the MIoD’s own Code of Conduct and this is presently being done.

Research
As part of its agreement with Ethics SA, the MIoD this year intends to undertake research into business ethics in Mauritius including a study of ethics training and education and a baseline study of business ethics.

Reciprocal Agreements
The MIoD has expanded its agreements for reciprocal arrangements with other similar organizations around the world. Members of the MIoD now benefit from reciprocal arrangements with the Institute of Directors in Southern Africa (IODSA), the Australian Institute of Company Directors (AICD), L’Institut Français des Administrateurs, the Singapore Institute of Directors (SID), and the Asian Centre for Corporate Governance and Sustainability (ACCGS). It is planned to continue to grow this network of partner organizations so that MIoD members can increase their networking whenever they travel on business.

Corporate Governance Consultations
The 2nd Report on the Observance of Standards and Codes (ROSC) of Corporate Governance in Mauritius was published in May 2012. The MIoD was consulted on this report and also assisted the World Bank in presenting the findings.

The MIoD was also consulted by the Bank of Mauritius on their Corporate Governance Guidelines which was published on 2 August 2012.

The MIoD continues to work closely with the National Committee on Corporate Governance towards a revision of the Code of Corporate Governance and it is hoped that this will now take place in the current year.

2011 National Budget Proposals
The MIoD also sent its proposals, after consultation with members, to the Minister of Finance for the 2011 Budget on:

- Review of the National Code of Corporate Governance
- Continuing Professional Development (CPD) of Directors and Senior Executives in the public sector
- Global ease of doing business in Mauritius
- Ebene Cybercity
- Incentives to improve the environment

Library and On-Line Documentation Centre
The MIoD library and on-line documentation centre, launched in February 2011, have both been expanded and continue to be
DIRECTOR’S REPORT
FOR THE YEAR ENDED 30 JUNE 2012

enlarged so that members have easy and free access to a range of books and documents on Management, Corporate Governance and related subjects at our offices in Ebène, as well as on-line, via our website www.miod.mu.

Communications
Our website www.miod.mu has been continuously updated during the year in order to keep our members up to date with forthcoming events and information. A new more interactive website is planned for the current year. Our email newsletter “Directions” has been redesigned and is now published quarterly. Four issues have been produced the year under review.

PR
The MIoD went out to tender for a new PR Agency as per the newly approved Quotation and Tender Process. The tender was awarded to AdvantEdge whose contract started as from July 2012.

IT
During the last 12 months, a new accounting software system (Pastel) has been implemented and is now fully operational. This has helped us to better manage our accounting and finance, including our debtors.

Internal Controls and Risk Management
The Internal Controls were reviewed by the Audit and Risk Committee which has also set in place Accounting Policy and Procedures after their approval by the Board. Internal controls are also checked by our External Accountant on a monthly basis.

The Risk Register was also reviewed and the key risks identified as:
• Damage to reputation
• Lack of funding
• Debtors
• Technology failure/data loss
• Natural disasters

The Register has outlined actions to address all these key risks and the MIoD is currently working on its Crisis Management and Business Continuity Plan and HR Policy and Guidelines which includes Health and Safety policies.

Board Evaluation
The Board of the MIoD undertook its annual self-evaluation appraisal in July 2011. There was a 66% response rate (8 returned questionnaires out of 12) and an overall satisfactory Board performance with no major issues. Areas that were considered least effective but important to be given more attention are succession planning and contingency planning and both these items have been addressed in the current year.

Ecological Footprint
The MIoD recognizes that it operates within a social and economic environment and that its long term interest is to conduct itself as a “responsible corporate citizen”. As part of its drive towards corporate sustainability, and its desire to be a role model for other organisations, the MIoD has decided to undertake an evaluation of its ecological footprint and awarded to Ecological Living in Action (ELIA) a consultancy contract for this process. The report should be ready in the current year.

Signed on behalf of the Board

Date: 8 August 2012

Mr. Georges Leung Shing
Chairman

Mr. Deva Armoogum
Vice Chairman
CORPORATE GOVERNANCE REPORT
FOR THE YEAR ENDED 30 JUNE 2012

1. The Directors’ Report on Corporate Governance
The Board sees compliance with the Code of the Corporate Governance for Mauritius (the ‘Code’) as an opportunity to strengthen its governance structure and improve its performance and processes. During the year, the MIoD has complied with all material aspects with the principles of the Code. Given that it has only four employees, the Board considers that it functions effectively with only one Executive Director, namely the CEO.

2. Corporate details and holding structure
Incorporated in Mauritius as a public company limited by guarantee, the MIoD is a non-profit organization engaged in training and development and the promotion of good corporate governance in Mauritius. The rights, powers, duties and obligations of the Company, the Board, each director, 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, namely the CEO.

The functions and responsibilities of the Chairman and CEO are separate. The Board considers its composition to be adequately balanced and that the current directors have the appropriate range of skills, expertise and experience required to carry out their duties properly in order to serve the interests of all the stakeholders and provide effective corporate governance.

In line with the Constitution of the Company, all directors will stand for re-election at the Annual Meeting of Members (AMM). The Chairman of the Board is appointed by his fellow directors after each AMM.

The Board meets on average every two months to set out and review the strategic objectives of the Company, to determine policies and strategies and to monitor their implementation in accordance with the 3 year Business Plan and Budget which is 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 all relevant legislations, regulations and best international practices are complied with. A full risk assessment has been undertaken and a Risk Register established, with the appropriate action plan to mitigate the key risks identified. The Board uses a Key Performance Indicator Dashboard to monitor performance.

<table>
<thead>
<tr>
<th>Key Performance Area</th>
<th>Key Strategic Objective</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Membership</td>
<td>Increase membership</td>
<td>50%</td>
</tr>
<tr>
<td></td>
<td>Retention rate</td>
<td>90%</td>
</tr>
<tr>
<td>Training &amp; Education</td>
<td>Attendance at workshops</td>
<td>Average 25 participants</td>
</tr>
<tr>
<td></td>
<td>Roll out annual training programme</td>
<td>30 workshops pa</td>
</tr>
<tr>
<td>Events</td>
<td>Organise International Conference</td>
<td>Sep 2011-min 100 pax</td>
</tr>
<tr>
<td></td>
<td>Members Networking Events</td>
<td>2</td>
</tr>
<tr>
<td>Communications</td>
<td>Regular PR Newsletters</td>
<td>Monthly</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Quarterly</td>
</tr>
<tr>
<td>Financial</td>
<td>Strategy Annual review</td>
<td>3 year Business Plan Updated annually</td>
</tr>
<tr>
<td></td>
<td>Revenue, expenditure and surplus As per budget</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Minimise cash tied up with debtors 5% of total revenues</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Monthly accounts Within 10 working days</td>
<td></td>
</tr>
<tr>
<td>People</td>
<td>Develop MIoD team</td>
<td>Recruit 1 new team member</td>
</tr>
<tr>
<td></td>
<td>Individual KPIs, annual performance reviews, and training and development plans in place</td>
<td></td>
</tr>
</tbody>
</table>
The Chairman and the CEO, in collaboration with the Company Secretary, agree the Board meeting calendar for the year and the Board meeting agendas in advance to ensure adequate coverage of key issues throughout the year. Board packs are usually sent to the directors five days in advance, except when urgent meetings are convened.

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

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 to obtain information on specific areas or items to be considered at Board meetings or any other area they consider appropriate.

Furthermore, the directors have the right to request independent professional advice at the 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, seven Board meetings were held during which the CEO reported 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 from 01 July 2011 to 30 June 2012 were:

<table>
<thead>
<tr>
<th>NAME</th>
<th>CATEGORY</th>
<th>BOARD ATTENDANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>LEUNG SHING Georges (Chairman)</td>
<td>INED1</td>
<td>7/7</td>
</tr>
<tr>
<td>ARMOOGUM Devapragassen</td>
<td>INED</td>
<td>7/7</td>
</tr>
<tr>
<td>BENOIT James</td>
<td>INED</td>
<td>4/7</td>
</tr>
<tr>
<td>DINAN Pierre</td>
<td>INED</td>
<td>5/7</td>
</tr>
<tr>
<td>DVORAK Catherine</td>
<td>INED</td>
<td>3/4</td>
</tr>
<tr>
<td>HEBERDEN Vaughan</td>
<td>INED</td>
<td>3/4</td>
</tr>
<tr>
<td>LAGESSE Danielle</td>
<td>INED</td>
<td>4/7</td>
</tr>
<tr>
<td>LAMA Ravin</td>
<td>INED</td>
<td>4/4</td>
</tr>
<tr>
<td>SUDDHOO Arjoon</td>
<td>INED</td>
<td>1/7</td>
</tr>
<tr>
<td>THOMAS Appalsamy</td>
<td>INED</td>
<td>5/7</td>
</tr>
<tr>
<td>VALLS Jane Elizabeth Orde</td>
<td>ED2</td>
<td>7/7</td>
</tr>
<tr>
<td>WOODING Richard</td>
<td>INED</td>
<td>7/7</td>
</tr>
</tbody>
</table>

Directors who retired on 21 Sept 2011

<table>
<thead>
<tr>
<th>NAME</th>
<th>CATEGORY</th>
<th>BOARD ATTENDANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>COLLENDAVELOO Aruna Lata Vidia</td>
<td>INED</td>
<td>1/3</td>
</tr>
<tr>
<td>DUMBELL Georges</td>
<td>INED</td>
<td>2/3</td>
</tr>
<tr>
<td>JOONAS Sultana</td>
<td>INED</td>
<td>2/3</td>
</tr>
</tbody>
</table>

1INED – Independent Non-Executive Director
2ED – Executive Director and Chief Executive
CORPORATE GOVERNANCE REPORT
FOR THE YEAR ENDED 30 JUNE 2012

Georges Leung Shing
Chairman of the MIoD Board
Appointed on 18 January 2008
Age: 66
BSc (Econ); FCA; CTA

Non-Executive Chairman of The Mauritius Development Investment Trust Company Ltd and a member of several large companies in Mauritius. He is a member of the Financial Reporting Council and Financial Reporting Monitoring Panel and the Sugar Insurance Fund Board. Formerly Chairman of the Mauritius Chamber of Agriculture and Mauritius Sugar Producers Association and Director of Lonrho Sugar Corporation Ltd and Illovo Sugar Ltd.

Deva Armoogum
Appointed 18 January 2008
Age: 62
FCCA, FCILT

Partner of KPMG Mauritius and Head of Advisory. Occupied various executive positions and directorships in large organisations in Mauritius and is a member of the National Committee on Corporate Governance, Chairman of the Institute of Internal Auditors (Mauritius) Chapter.

James Benoit
Appointed 16 July 2009
Age: 46
CFA

CEO and Executive Director of AfrAsia Bank Ltd. President/Director, CFA Society Mauritius; Director and Vice Chairman of the Mauritius Bankers Association, Chairman of Axys Capital Management (Mauritius) Ltd and AfrAsia Corporate Finance Ltd, Cape Town and Director of AfrAsia Kingdom Zimbabwe Ltd.

Pierre Dinan
Appointed 18 January 2008
Age: 75
BSc (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 sectors. He is an independent member of the Monetary Policy Committee.

Catherine Dvorak
Appointed 21 September 2011
Age: 48
Bachelor of Accountancy, Chartered Accountant (South Africa)

Formerly held senior positions in Ridge Corporate Finance, BoE NatWest & BoE Merchant Bank in Johannesburg; Head of Banking at Investec Bank (Mauritius) Ltd. She is a non-executive Director of AfrAsia Bank Ltd; and a Corporate Finance Advisor.

Vaughan Heberden
Appointed 21 September 2011
Age: 51
BA, LLB

CEO and Executive Director CIM Group. Chairman and Director of IMM Ltd, Multiconsult Ltd, CIM Finance Ltd, Trustees Ltd & Forex Ltd, Chairman of the Board of Trustees of the Global Institutional Investors Forum and Member of the Court of the University of Mauritius.
Mauritius Institute of Directors - Annual Report

CORPORATE GOVERNANCE REPORT
FOR THE YEAR ENDED 30 JUNE 2012

Danielle Lagesse

Appointed 18 January 2008
Age: 58

Senior Attorney and Head of Etude Lagesse; Member of the Australian Institute of Company Directors.

Ravin Lama

Appointed 21 September 2011
Age: 52
BSc

Executive Director AAPCA Mauritius, Managing Director, International Media Network and Mind Initiatives Ltd, Nepal, Director APCA Nepal and India, President Association of Registered Professional Training Institutes. Board Member, MQA and AMCHAM.

Arjoon Suddhoo

Appointed 18 January 2008
Age: 53
BSc; MBA, Ph D

Executive Director of the Mauritius Research Council. He is also a Fellow of both the Mauritius Academy of Science & Technology and the Royal Aeronautical Society and holds directorships in several parastatal bodies and companies in the financial services sector. Former Chairman of Air Mauritius Ltd (2001-2005).

Appalsamy Thomas

Appointed 16 July 2009
Age: 57
MBA (Surrey, UK)

Chairman of Mauritius Telecom and a director of Standard Continuous Stationery Ltd and Group Head of Human Resources at Harel Mallac & Co. Ltd.

Jane Valls

Chief Executive Officer
Appointed 26 April 2010
Age: 58
BA (Hons)

Accredited trainer with the Global Corporate Governance Forum (GCGF) and the Ethics Institute of South Africa. Before joining the MIoD, she has held senior positions and directorships in a wide range of business sectors including aviation, hospitality, tourism and ITC in Mauritius and overseas with leading companies including British Airways, Sun International and The Rogers Group and more recently running her own management consulting and training consultancy.

Richard Wooding

Appointed 25 August 2010
Age: 53
BA (Hons); MBA

4. Director Induction
On appointment to the Board, new directors receive a comprehensive induction pack from the Company Secretary and the CEO and have informal meetings with the Chairman, fellow Board members, Membership and Nominations Committee, the CEO and the employees of the MIoD.

5. Board Committees
In accordance with the Code of Corporate Governance for Mauritius issued by the National Committee on Corporate Governance established under the Financial Reporting Act 2004 (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 Board members 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, namely, James Benoit (Chairman), Catherine Dvorak and Arjoon Suddhoo. The CEO is also in attendance at the ARC meetings, as is the Accountant when required.
The ARC’s main responsibilities 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 assessment of the quality of the risk management process.

Apart from planning the preparation of the Annual Report 2012 and the review of the Financial Statement for the year ended 30 June 2012, the ARC has performed the following for the Company:
• Reviewed the Ethics Risk Assessment
• Reviewed the Risk Register and Business Continuity Plan
• Reviewed the Accounting Policies and Procedures
• Reviewed the Debtors Management Procedures
During the year under review, the ARC met three times.

5.2 Corporate Governance Committee (‘CGC’)
The CGC is composed of four directors, 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.
During the year, the CGC revised and reviewed their charter in accordance with the Code and reviewed the non-financial part of the Annual Report.
Apart from the preparation of the Annual Report and the review of the non-financial statements for the year ended 30 June 2012, the CGC has performed the following:

- Compiled a draft paper on HR Policy and Guidelines
- Initiated a carbon review to minimize the Company’s Ecological Footprint
- Reviewed the MloD’s Code of Conduct for members
- Provided feedback on the Report and Observance of Standards and Codes of Corporate Governance in Mauritius to the World Bank
- Provided feedback to the Bank of Mauritius on their new draft Corporate Governance Guidelines
- Supported the National Committee on Corporate Governance’s proposal for a revision of the Code of Corporate Governance
- Launched the Director’s Forum

During the year under review, the CGC met three times.

5.3 Education Committee (‘EC’)
The EC is composed of six directors, namely, Deva Armoogum (Chairman), Ravin Lama, Danielle Lagesse, Vaughan Heberden, Richard Wooding and Jane Valls.
The Committee is responsible for all matters regarding training and education activities of the MloD aimed at the promotion and achievement of its objectives.

During the year, the EC met five times to plan the training events, special workshops and the International Conference organised by the MloD. Its performance is listed hereunder:

- Organised the conference “Corporate Governance and Sustainability- Enhancing Effectiveness of Boards through Corporate Governance Best Practices” in collaboration with the National Committee on Corporate Governance and the Asian Centre for Corporate Governance and Sustainability
- Reviewed and approved the training and events calendar and budgets
- Reviewed 3rd party facilitators’ contracts
- Reviewed the requirement for Indemnity Insurance
- Monitored and reviewed the quality of all training and events
- Made proposals for public sector training
- Considered business ethics research
- Expanded the Library and Online Documentation Centre

5.4 Nomination and Membership Committee (‘NMC’)
The NMC is composed of four directors, namely, Georges Leung Shing (Chairman), Deva Armoogum, Pierre Dinan and Dass Thomas.
The CEO is in attendance at the meetings.

The Committee is responsible for all matters concerning membership of the MloD, as outlined in its Constitution, and for recommending to the Board, candidates to be appointed as directors to the Board, as well as all employees’ 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 admission of new members.

During the year, the NMC met three time and has:

- Approved 221 new members
- Reviewed the membership criteria and fees
- Upgraded 3 Members to Fellows
- Commissioned qualitative research on the Associate Member category
- Reviewed the induction for new directors
- Updated the Membership Card with a revised Membership Benefits Programme.
- Reviewed all directors’ nominations received
- Reviewed the Key Performance Indicators (KPIs) and the performance of the CEO
- Launched the Director’s Register
6. Board Performance and Evaluation
An annual evaluation of the Board’s performance is undertaken every year and reviewed with the objective of improving its
performance, 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’s policy on conflicts of interest with which all employees and directors are expected to comply is available on the
company website www.miod.mu.

8. Statement of Remuneration Philosophy
The NMC 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 KPIs 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.

The total remuneration of the CEO for the year was as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Remuneration (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>VALLS, Jane Elizabeth Orde</td>
<td>3,495,588</td>
</tr>
</tbody>
</table>
9. Annual Meeting of Members
As at 30 June 2012, the Company had 708 individual members.
The MIoD communicates to its members through its Annual Report, publications, newsletters, website, emails and Annual Meeting. The key members events held during the year were:
1. Members Networking Event 5 August 2011
2. Annual Meeting of Members 21 September 2011
3. Conference on “Corporate Governance and Sustainability” 15-17 September 2011

10. Share Price
The Company is not listed on any stock exchange and share price information is therefore 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 and has delegated its overall responsibility to the Audit & Risk Committee. The Audit & Risk Committee 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
- Disaster recovery and business continuity
- Credit risk attributable to trade receivables

These risks are being addressed in the following ways:
- An ethics risk assessment of the MIoD has been conducted and evaluated
- 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
- Improved debtor management

(b) Internal Control
Cays Associates was appointed in May 2010 to look after the MIoD's accounts. Separation of powers 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 has been introduced to further improve the management of accounts and debtors.

(c) External Audit
Moore Stephens was re-appointed as external auditors for the year 2011/12. No non-audit services were rendered by the external auditor.

12. Corporate Social Responsibility (‘CSR’)
The Company is a non-profit organization and is therefore not accountable for CSR contributions.
13. Ethics
The MIoD has completed an ethics risk assessment following which it has been decided to review the Company’s Code of Conduct. This is currently being undertaken. The members of the Company are expected at all times to act in such a way as not to bring themselves or the MIoD into disrepute. They are also expected to comply with the Code of Conduct of the MIoD which provides guidance on behaviour to be adopted by the members. The Code of Conduct is available on the website of the MIoD.

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. An exercise is currently underway to review and minimize the Company’s carbon footprint.

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 opportunities 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 MIoD 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 management agreement has been entered into by the Company.

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 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 31 to 46 were approved by the Board on 8 August 2012 and are signed on their behalf by:

Chairman
Mr. Georges Leung Shing

Director
Mr. Deva Armoogum
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 period ended 30 June 2012, 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: 8 August 2012
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 31 to 46, which comprise the statement of financial position as at 30 June 2012 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.
INDEPENDENT AUDITORS’ REPORT
TO THE MEMBERS OF
MAURITIUS INSTITUTE OF DIRECTORS (continued)

Report on the Financial Statements (continued)

Opinion

In our opinion, the financial statements on pages 31 to 46 give a true and fair view of the financial position of the Company at 30 June 2012 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.
MAURITIUS INSTITUTE OF DIRECTORS  
STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2012  

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Notes</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>5</td>
<td>532,693</td>
<td>792,598</td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>6</td>
<td>925,527</td>
<td>866,236</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>7</td>
<td>6,664,247</td>
<td>4,621,518</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td></td>
<td>8,122,467</td>
<td>6,280,352</td>
</tr>
<tr>
<td><strong>ACCUMULATED FUNDS AND LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Members’ funds</td>
<td>8</td>
<td>4,421,793</td>
<td>4,237,302</td>
</tr>
<tr>
<td>Non current liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retirement benefit obligations</td>
<td></td>
<td>276,909</td>
<td>-</td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>9</td>
<td>1,149,456</td>
<td>977,636</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>10</td>
<td>2,222,963</td>
<td>960,750</td>
</tr>
<tr>
<td>Bank overdraft</td>
<td>7</td>
<td>51,346</td>
<td>104,664</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td></td>
<td>8,122,467</td>
<td>6,280,352</td>
</tr>
</tbody>
</table>

Approved by the Board of Directors and authorised for issue on 8 August 2012

Chairman  
Mr. Georges Leung Shing

Director  
Mr. Deva Armoogum
<table>
<thead>
<tr>
<th>Income:</th>
<th>Notes</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate patrons contribution and donations</td>
<td></td>
<td>5,141,667</td>
<td>4,575,000</td>
</tr>
<tr>
<td>Interest received</td>
<td></td>
<td>267,940</td>
<td>131,919</td>
</tr>
<tr>
<td>Members subscriptions</td>
<td></td>
<td>1,625,700</td>
<td>1,170,400</td>
</tr>
<tr>
<td>Seminar revenue</td>
<td></td>
<td>6,951,704</td>
<td>5,766,868</td>
</tr>
<tr>
<td>Affinity revenue</td>
<td></td>
<td>52,500</td>
<td>12,750</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td>3 (c)</td>
<td>14,039,511</td>
<td>11,656,937</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditure:</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit fees</td>
<td></td>
<td>57,500</td>
<td>96,250</td>
</tr>
<tr>
<td>Bank charges</td>
<td></td>
<td>23,375</td>
<td>6,702</td>
</tr>
<tr>
<td>Computer software and licence</td>
<td></td>
<td>26,127</td>
<td>86,943</td>
</tr>
<tr>
<td>Membership expenses</td>
<td></td>
<td>275,733</td>
<td>156,655</td>
</tr>
<tr>
<td>General expenses</td>
<td></td>
<td>69,816</td>
<td>35,631</td>
</tr>
<tr>
<td>AGM expenses</td>
<td></td>
<td>194,075</td>
<td>34,500</td>
</tr>
<tr>
<td>Rental of equipment</td>
<td></td>
<td>-</td>
<td>5,175</td>
</tr>
<tr>
<td>Members’ networking event expenses</td>
<td></td>
<td>78,591</td>
<td>40,825</td>
</tr>
<tr>
<td>Debtors written off</td>
<td></td>
<td>-</td>
<td>74,172</td>
</tr>
<tr>
<td>Depreciation</td>
<td></td>
<td>327,368</td>
<td>293,442</td>
</tr>
<tr>
<td>Insurance</td>
<td></td>
<td>77,159</td>
<td>52,211</td>
</tr>
<tr>
<td>Electricity</td>
<td></td>
<td>71,344</td>
<td>55,147</td>
</tr>
<tr>
<td>Entertainment</td>
<td></td>
<td>54,389</td>
<td>51,210</td>
</tr>
<tr>
<td>Legal expenses</td>
<td></td>
<td>12,938</td>
<td>279,450</td>
</tr>
<tr>
<td>Licences and taxes</td>
<td></td>
<td>10,500</td>
<td>10,500</td>
</tr>
<tr>
<td>Training of trainer</td>
<td></td>
<td>144,103</td>
<td>-</td>
</tr>
<tr>
<td>Retirement benefit obligations</td>
<td></td>
<td>276,909</td>
<td>-</td>
</tr>
<tr>
<td>Research work (survey)</td>
<td></td>
<td>199,008</td>
<td>-</td>
</tr>
<tr>
<td>Library and publications</td>
<td></td>
<td>6,567</td>
<td>8,687</td>
</tr>
<tr>
<td>Deficit on directors search</td>
<td></td>
<td>15,015</td>
<td>-</td>
</tr>
<tr>
<td>Professional fees</td>
<td></td>
<td>150,174</td>
<td>267,374</td>
</tr>
<tr>
<td>Provision for impairment of debtors</td>
<td></td>
<td>27,500</td>
<td>27,500</td>
</tr>
<tr>
<td>Public relation expenses</td>
<td></td>
<td>127,781</td>
<td>439,300</td>
</tr>
<tr>
<td>Overseas travelling</td>
<td></td>
<td>63,838</td>
<td>167,860</td>
</tr>
<tr>
<td>Rent and property expenses</td>
<td></td>
<td>488,406</td>
<td>482,302</td>
</tr>
<tr>
<td>Repairs</td>
<td></td>
<td>47,275</td>
<td>23,724</td>
</tr>
<tr>
<td>Salaries and personnel costs</td>
<td></td>
<td>5,020,868</td>
<td>4,392,947</td>
</tr>
<tr>
<td>Secretarial services</td>
<td></td>
<td>272,967</td>
<td>197,050</td>
</tr>
<tr>
<td>Seminar expenses</td>
<td></td>
<td>5,553,183</td>
<td>3,948,785</td>
</tr>
<tr>
<td>Stationery and printing</td>
<td></td>
<td>23,698</td>
<td>62,678</td>
</tr>
<tr>
<td>Telephone</td>
<td></td>
<td>158,813</td>
<td>124,724</td>
</tr>
<tr>
<td><strong>Total expenditure</strong></td>
<td></td>
<td>13,855,020</td>
<td>11,421,744</td>
</tr>
</tbody>
</table>

| Surplus of income over expenditure         |       | 184,491 | 235,193 |

The notes on pages 35 to 46 form an integral part of these financial statements.
## MAURITIUS INSTITUTE OF DIRECTORS
### STATEMENT OF CHANGES IN MEMBERS’ FUNDS
### FOR THE YEAR ENDED 30 JUNE 2012

<table>
<thead>
<tr>
<th></th>
<th>Members’ funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rs</td>
<td>Rs</td>
</tr>
<tr>
<td><strong>As at 01 July 2010</strong></td>
<td>4,002,109</td>
<td>4,002,109</td>
</tr>
<tr>
<td>Surplus of income over expenditure</td>
<td>235,193</td>
<td>235,193</td>
</tr>
<tr>
<td><strong>As at 30 June 2011</strong></td>
<td>4,237,302</td>
<td>4,237,302</td>
</tr>
<tr>
<td>Surplus of income over expenditure</td>
<td>184,491</td>
<td>184,491</td>
</tr>
<tr>
<td><strong>As at 30 June 2012</strong></td>
<td>4,421,793</td>
<td>4,421,793</td>
</tr>
</tbody>
</table>

The notes on pages 35 to 46 form an integral part of these financial statements.
## Statement of Cash Flows

**For the year ended 30 June 2012**

<table>
<thead>
<tr>
<th>Notes</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rs</td>
<td>Rs</td>
</tr>
<tr>
<td>Surplus of income over expenditure</td>
<td>184,491</td>
<td>235,193</td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest received</td>
<td>(267,940)</td>
<td>(131,919)</td>
</tr>
<tr>
<td>Retirement benefit obligations</td>
<td>276,909</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation</td>
<td>327,368</td>
<td>293,442</td>
</tr>
<tr>
<td>Provision for impairment of debtors</td>
<td>27,500</td>
<td>27,500</td>
</tr>
<tr>
<td><strong>Movements in working capital</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase in trade and other receivables</td>
<td>(86,791)</td>
<td>(261,359)</td>
</tr>
<tr>
<td>Increase in trade and other payables</td>
<td>171,820</td>
<td>207,904</td>
</tr>
<tr>
<td>Increase in deferred revenue</td>
<td>1,262,213</td>
<td>56,500</td>
</tr>
<tr>
<td><strong>Cash flows generated from operating activities</strong></td>
<td>1,895,570</td>
<td>427,261</td>
</tr>
<tr>
<td><strong>Cash flows from investing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of plant and equipment</td>
<td>(67,463)</td>
<td>(143,278)</td>
</tr>
<tr>
<td>Interest received</td>
<td>267,940</td>
<td>131,919</td>
</tr>
<tr>
<td><strong>Net increase in cash and cash equivalents</strong></td>
<td>2,096,047</td>
<td>415,902</td>
</tr>
<tr>
<td><strong>Movements in cash and cash equivalents</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents at the beginning of the year</td>
<td>4,516,854</td>
<td>4,100,952</td>
</tr>
<tr>
<td>Cash and cash equivalents at the end of the year</td>
<td>6,612,901</td>
<td>4,516,854</td>
</tr>
<tr>
<td><strong>Net increase in cash and cash equivalents</strong></td>
<td>2,096,047</td>
<td>415,902</td>
</tr>
</tbody>
</table>

The notes on pages 35 to 46 form an integral part of these financial statements.
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 2012

- IAS 24 Related Party Disclosures (2009)

"Amends the requirements of the previous version of IAS 24 to:
   Clarify the definition of a related party.
   Include an explicit requirement to disclose commitments involving related parties."

- Amendments to IFRS 7 Financial Instruments: Disclosures

The amendments introduce additional disclosures, designed to allow users of financial statements to improve their understanding of transfer transactions of financial assets (for example, securitisations), including understanding the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period.

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 2012 but not relevant to the Company’s operations

- “Prepayments of a Minimum Funding Requirement
  Makes limited-application amendments to IFRIC 14 IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.”
2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (Continued)

2.2 Standards, amendments and interpretations effective in 2012 but not relevant to the Company’s operations (continued)

- “Improvements to IFRSs (2010)
Amends seven pronouncements (plus consequential amendments to various others) as a result of the IASB’s 2008-2010 cycle of annual improvements.”

- Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (Amendments to IFRS 1)

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

- IAS 27 Separate Financial Statements (2011)

- IAS 28 Investments in Associates and Joint Ventures (2011)

- IFRS 9 Financial Instruments (2009)


- IFRS 10 Consolidated Financial Statements

- IFRS 11 Joint Arrangements

- IFRS 12 Disclosure of Interests in Other Entities

- IFRS 13 Fair Value Measurement

- Deferred Tax: Recovery of Underlying Assets (Amendments to IAS 12)

- IAS 19 Employee Benefits (2011)

- Presentation of Items of Other Comprehensive Income (Amendments to IAS 1)

- Disclosures - Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)

- Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)

- Government Loans (Amendments to IFRS 1)
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.

Corporate presold packages billed during the year but unused by subscribers at year end are recognised as deferred revenue.
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) 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.

(h) 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.

(i) Borrowing costs

Borrowing costs are recognised as an expense in the year in which they are incurred.
3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Trade and other receivables

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

(k) Trade and other payables

Trade and other payables are stated at their nominal value.

(l) 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.

(m) 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.
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.
5. PLANT AND EQUIPMENT

<table>
<thead>
<tr>
<th>Cost Description</th>
<th>Leasehold Improvement</th>
<th>Computer Equipment</th>
<th>Office Furniture</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 01 July 2011</td>
<td>Rs 858,201</td>
<td>Rs 275,862</td>
<td>Rs 103,781</td>
<td>Rs 1,237,844</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>Rs 58,103</td>
<td>Rs 9,360</td>
<td>Rs 67,463</td>
</tr>
<tr>
<td>At 30 June 2012</td>
<td>Rs 858,201</td>
<td>Rs 333,965</td>
<td>Rs 113,141</td>
<td>Rs 1,305,307</td>
</tr>
</tbody>
</table>

DEPRECIATION

<table>
<thead>
<tr>
<th>Cost Description</th>
<th>Leasehold Improvement</th>
<th>Computer Equipment</th>
<th>Office Furniture</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 01 July 2011</td>
<td>Rs 261,746</td>
<td>Rs 122,116</td>
<td>Rs 61,384</td>
<td>Rs 445,246</td>
</tr>
<tr>
<td>Charge for the year</td>
<td>Rs 214,550</td>
<td>Rs 84,728</td>
<td>Rs 28,090</td>
<td>Rs 327,368</td>
</tr>
<tr>
<td>At 30 June 2012</td>
<td>Rs 476,296</td>
<td>Rs 206,844</td>
<td>Rs 89,474</td>
<td>Rs 772,614</td>
</tr>
</tbody>
</table>

NET BOOK VALUE

<table>
<thead>
<tr>
<th>Cost Description</th>
<th>Leasehold Improvement</th>
<th>Computer Equipment</th>
<th>Office Furniture</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 30 June 2012</td>
<td>Rs 381,905</td>
<td>Rs 127,121</td>
<td>Rs 23,667</td>
<td>Rs 532,693</td>
</tr>
<tr>
<td>At 30 June 2011</td>
<td>Rs 596,455</td>
<td>Rs 153,746</td>
<td>Rs 42,397</td>
<td>Rs 792,598</td>
</tr>
</tbody>
</table>

6. TRADE AND OTHER RECEIVABLES

<table>
<thead>
<tr>
<th>Trade Receivables</th>
<th>Rs 898,997</th>
<th>Rs 829,270</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less Provision for impairment of debtors</td>
<td>(55,000)</td>
<td>(27,500)</td>
</tr>
<tr>
<td>Deposits</td>
<td>Rs 843,997</td>
<td>Rs 801,770</td>
</tr>
<tr>
<td>Prepayments</td>
<td>-</td>
<td>Rs 37,600</td>
</tr>
<tr>
<td></td>
<td>Rs 81,530</td>
<td>Rs 26,866</td>
</tr>
<tr>
<td></td>
<td>Rs 925,527</td>
<td>Rs 866,236</td>
</tr>
</tbody>
</table>

Ageing of net receivables

<table>
<thead>
<tr>
<th>Less than 3 months</th>
<th>Rs 632,047</th>
<th>Rs 739,120</th>
</tr>
</thead>
<tbody>
<tr>
<td>More than 3 months</td>
<td>Rs 266,950</td>
<td>Rs 90,150</td>
</tr>
<tr>
<td></td>
<td>Rs 898,997</td>
<td>Rs 829,270</td>
</tr>
</tbody>
</table>

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. 55,000.
7. CASH AND CASH EQUIVALENTS

- MPCB deposit account: Rs 4,300,000 (2012), Rs 4,300,000 (2011)
- Bank savings accounts: Rs 2,362,247 (2012), Rs 319,518 (2011)
- Bank current account: Rs (51,346) (2012), Rs (104,664) (2011)
- Cash in hand: Rs 2,000 (2012), Rs 2,000 (2011)

Note: The negative balance on the current account is due to cheques issued but unpresented at year end.

8. ACCUMULATED FUNDS

- Members’ funds: Rs 4,421,793 (2012), Rs 4,237,302 (2011)

9. TRADE AND OTHER PAYABLES

- Trade payables: Rs 451,983 (2012), Rs 342,154 (2011)
- Accruals and other payables: Rs 697,473 (2012), Rs 635,482 (2011)

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.

10. DEFERRED REVENUE

The deferred income are in respect of:

(i) Seminar revenue billed during the year for seminars held after the year end: Rs 942,180 (2012), Rs 137,000 (2011)
(ii) Members subscriptions billed during the year for the period extending beyond the year end: Rs 854,700 (2012), Rs 610,500 (2011)
(iii) Contribution received during the year for the next financial period: Rs 283,333 (2012), Rs 175,000 (2011)
(iv) Contribution - Research Work: Rs 100,000 (2012), Rs - (2011)
(v) Affinity revenue: Rs 42,750 (2012), Rs 38,250 (2011)

Total deferred revenue: Rs 2,222,963 (2012), Rs 960,750 (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.

12. OPERATING LEASES

(i) Lease rentals under operating leases expensed

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

(ii) Non cancellable operating lease rentals

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within 1 year</td>
<td>417,322</td>
<td>393,700</td>
</tr>
<tr>
<td>After 1 year and up to 3 years</td>
<td>180,730</td>
<td>433,070</td>
</tr>
<tr>
<td></td>
<td>598,052</td>
<td>826,770</td>
</tr>
</tbody>
</table>

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.3,495,588 (year ended 30 June 2011: Rs.3,191,796)

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 305 Fellows and 377 Members of the company to whom this guarantee applies.
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

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>843,997</td>
<td>839,370</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>6,664,247</td>
<td>4,621,518</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>7,508,244</td>
<td>5,460,888</td>
</tr>
<tr>
<td><strong>Financial liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>451,983</td>
<td>342,154</td>
</tr>
<tr>
<td>Bank overdraft</td>
<td>51,346</td>
<td>104,664</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>503,329</td>
<td>446,818</td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th></th>
<th>Balance with bank</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- floating interest rate</td>
</tr>
<tr>
<td><strong>Financial assets</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2012</td>
</tr>
<tr>
<td></td>
<td>%</td>
</tr>
<tr>
<td>Mauritian rupees</td>
<td>5.1</td>
</tr>
</tbody>
</table>
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 2012 would increase/decrease by Rs. 33,064 (year ended 30 June 2011: increase/decrease by Rs. 22,585). 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:

<table>
<thead>
<tr>
<th>2012</th>
<th>Less than 1 month</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rs</td>
<td>Rs</td>
</tr>
<tr>
<td>Financial assets</td>
<td></td>
<td></td>
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<tr>
<td>Trade and other receivables</td>
<td>843,997</td>
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<td>7,508,244</td>
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<tr>
<td>Trade and other payables</td>
<td>451,983</td>
<td>451,983</td>
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<td>51,346</td>
<td>51,346</td>
</tr>
<tr>
<td></td>
<td>503,329</td>
<td>503,329</td>
</tr>
</tbody>
</table>

Note: Prepayments are excluded from financial assets.
15. FINANCIAL INSTRUMENTS (CONTINUED)

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

2011

<table>
<thead>
<tr>
<th>Financial assets</th>
<th>Less than 1 month</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade and other receivables</td>
<td>839,370</td>
<td>839,370</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>4,621,518</td>
<td>4,621,518</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,460,888</strong></td>
<td><strong>5,460,888</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial liabilities</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade and other payables</td>
<td>342,154</td>
<td>342,154</td>
</tr>
<tr>
<td>Bank overdraft</td>
<td>104,664</td>
<td>104,664</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>446,818</strong></td>
<td><strong>446,818</strong></td>
</tr>
</tbody>
</table>

Note: Pre-payments and accruals are excluded from financial assets and financial liabilities.

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 2012.
The Mauritius Institute of Directors would like to thank the following organisations for their contribution to the International Conference on Corporate Governance & Sustainability

15th - 17th September 2011

Asian Centre for Corporate Governance & Sustainability
Australia China Hong Kong India
Indonesia Japan Malaysia
Philippines SAARC
Singapore Thailand