

# MloD

Mauritius  
Institute of  
Directors

Promoting Corporate Governance across the board

**ANNUAL REPORT 2012**

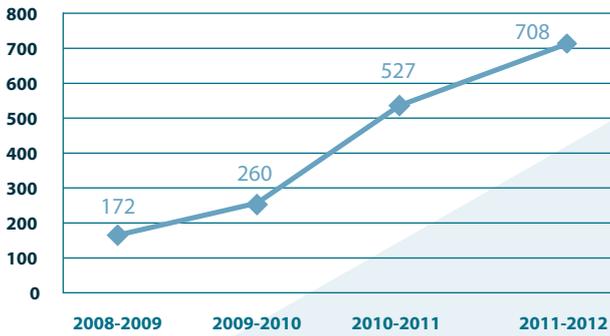
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# KEY DATA AND HIGHLIGHTS

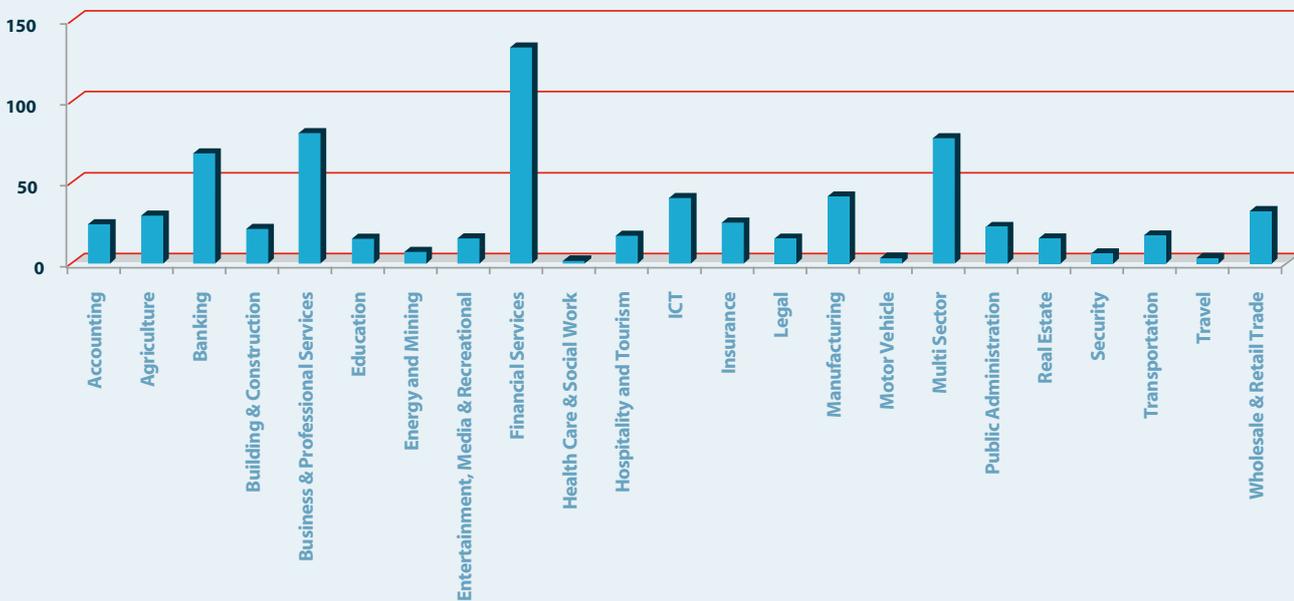
## Members Growth 2008 - 2012



## Retention 2011/2012



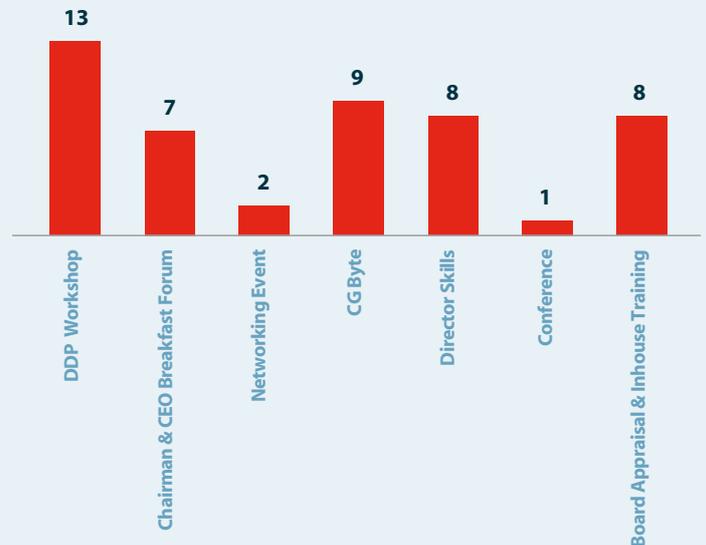
## Members by Sector



## Active Members 2011/2012



## 2011/2012 Events



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



*FOUNDERS*



*FOUNDERS*



*FOUNDERS*



*FOUNDERS*



*FOUNDERS*



*FOUNDERS*



*PATRONS*



*PATRONS*



*PATRONS*



*PATRONS*



*PATRONS*



International Distillers (Mius) Ltd.

*PATRONS*



Out of the Ordinary®



omnicane  
Integrating Energies



# CORPORATE INFORMATION

## MAURITIUS INSTITUTE OF DIRECTORS

### BOARD OF DIRECTORS

<b>Georges Leung Shing</b>	Board Chairman and Chairman - Nominations and Membership Committee
<b>Devapragassen Armoogum</b>	Vice Chairman and Chairman - Education Committee
<b>James Benoit</b>	Chairman – Audit & Risk Committee
<b>Pierre Dinan</b>	
<b>Catherine Dvorak</b>	Appointed at Annual Meeting of 21 September 2011
<b>Vaughan Heberden</b>	Appointed at Annual Meeting of 21 September 2011
<b>Danielle Lagesse</b>	
<b>Ravin Lama</b>	Appointed at Annual Meeting of 21 September 2011
<b>Arjoon Suddhoo</b>	
<b>Appalsamy Thomas</b>	
<b>Jane Elizabeth Orde Valls</b>	Chief Executive Officer
<b>Richard Wooding</b>	Chairman – Corporate Governance Committee
<b>Aruna Lata Vidia Collendavelloo</b>	Resigned at Annual Meeting of 21 September 2011
<b>Sultana Joonas</b>	Resigned at Annual Meeting of 21 September 2011
<b>George J Dumbell</b>	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

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

# CHAIRMAN'S STATEMENT



On behalf of the Mauritius Institute of Directors (MloD), 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 MloD 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 MloD'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 MloD 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 MloD.

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 MloD. 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 MloD 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 Leipziger, Managing Director, Growth Dialogue; and Bert van Walbeek, Managing Director of the Winning Edge, as

# CHAIRMAN'S STATEMENT

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 MloD now has 700 members and annual subscription fees remain modest and very accessible, with a good range of benefits, including the MloD Members Card and Membership Programme, the MloD 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 MloD 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 MloD's visibility will increase this year on the occasion of its 5th Anniversary celebration, with more focused members' events and PR activities. The MloD 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 MloD remains a private independent not-for-profit organisation regulated by the Companies Act. The MloD'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 MloD. It has been a pleasure to work with them and I thank them all for their valuable support during the last 12 months.



Georges Leung Shing  
Chairman

# DIRECTOR'S REPORT

## FOR THE YEAR ENDED 30 JUNE 2012

### General Review

The MloD 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 MloD 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.

## VISION

**To be the leading professional organisation for directors and business leaders driving effective corporate governance and best practices.**

### 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](http://www.miod.mu) or at our offices for consultation. The MloD, 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 MloD.

### Company Secretary

The Board of the MloD 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 MloD, 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 Ltée  
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  
Omnican Ltd

#### Patrons

Phoenix Beverages Ltd  
SBI International (Mtius) Ltd  
Standard Bank (Mtius) Ltd  
Swan Group

# DIRECTOR'S REPORT

## FOR THE YEAR ENDED 30 JUNE 2012

### 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 MloD as a professional organisation and a reliable source of information for business and corporate governance.

In 2012, the MloD 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 MloD to better position itself to recruit Associate Members and nurture the directors of the future.

The MloD 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.

MloD 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.

# DIRECTOR'S REPORT

## FOR THE YEAR ENDED 30 JUNE 2012

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          | - Hemisphere Sud                 | - Oxygen               |
| - Atelier Dumont  | - Hennessy Park Hotel            | - Permoglaze           |
| - CIM Insurance   | - Hertz                          | - Phoenix Beverages    |
| - Concorde Travel | - Hugo Boss                      | - Ralph Lauren         |
| - Espace Beauté   | - Karl Kaiser                    | - Le Suffren           |
| - Esprit          | - Labourdonnais Waterfront Hotel | - Temple Law Books and |
| - FedEx Express   | - Mauritius Telecom              | - 20/Vin.              |
| - G-tech          | - Otayo                          |                        |

Annual membership fees have been increased for the first time since the foundation of the MloD 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

# DIRECTOR'S REPORT

## FOR THE YEAR ENDED 30 JUNE 2012

When making its recommendations, the Nomination Committee also took into consideration the variety of skills and competences needed on the MloD Board as well as ensuring a good mix of age and gender.

Appointments approved at the AMM on 21 September 2011:

NAME	POSITION	COMPANY
Catherine Dvorak	Chartered Accountant	Private Consultant
Vaughan Heberden	CEO	CIM Group
Ravin Lama	Executive Director	AAPCA Mauritius

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 MloD during the past years.

### Directors Register

The MloD 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 MloD 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 MloD 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 MloD 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 MloD has launched this second important initiative in January 2012. The MloD 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 MloD 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 MloD. 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 Collendavelloo  
Girish Dabeesing  
Sean Ennis  
Gerard Garrioch  
Dr Raj Jugurnath  
Georges Leung Shing  
Cyril Mayer  
Megh Pillay  
Krish Ponnusamy  
Anita Ramguttu-Wong  
Aisha Timol  
Jane Valls  
Richard Wooding

# DIRECTOR'S REPORT

## FOR THE YEAR ENDED 30 JUNE 2012

with high-level academic qualifications and professional backgrounds in law, economics, accounting, corporate and securities regulation, the public sector, business, and directorships. Through the Forum's expertise, representation, and guidance on key issues, the MloD aims to become the premier voice of governance and directorship in Mauritius.

The Forum is still in its early days but has met on a monthly basis and established its Terms of Reference which are on the MloD website ([www.moid.mu](http://www.moid.mu)). The Forum has agreed its first priority which is to work on a set of Best Practice Guidelines for the Appointment of Directors, to complement the Code of Corporate Governance. These guidelines are currently being finalised and should be published in the coming months for general distribution.

The MloD will also be recruiting an Executive Secretary in the current year to assist not only the Forum with its work and research but also the MloD with delivering its range of services.

### 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 MloD. 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 MloD 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 governance, 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.

# DIRECTOR'S REPORT

## FOR THE YEAR ENDED 30 JUNE 2012

### Training and Events

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

The MloD has developed a pool of freelance trainers and the Directors would like to thank all the trainers who have collaborated with the MloD this year, including Rev Kim Andersen, Patricia Day-Hookoomsing, Anwar Kaidoo, Benoit Maingard, Françoise White and the CEO, amongst others. The MloD 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?

### LOCAL PRESENTERS

Clairette Ah Hen  
Urmila Banyamandhub Boolell  
Andre Bonieux  
Jean-Paul de Chazal  
Brian Davies  
Sanju Deenapanray  
Marcel Descroizilles  
Jean-François Desvaux de Marigny  
Jacques Dinan  
Pierre Dinan  
Gael Duchenne  
George Dumbell  
Afsar Ebrahim  
Jean-Claude de l'Estrac  
Naresh Gokulsing  
Bryan Gujjalu  
Penny Hack  
Paul Halpin  
Michael Ho Wan Kau  
Vaughan Heberden  
David Hotte  
Louis Denis Koenig  
Danielle Lagesse  
Roger Leung Shin Cheung  
Thierry Leung  
Selvida Naiken  
Caroline Piat  
Nassir Ramtoola  
Tim Taylor  
Aisha Timol  
Sheila Ujoodha  
Kenny Wong  
Bruneau Woomed  
Richard Wooding

# 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 MloD 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 MloD Business Ethics Trainers
- 5 day Ethics Officer Certification Programme

The MloD 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 Leipziger, 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 MloD 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 MloD 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 MloD 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 MloD 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 MloD has developed a new service to assist companies with their board appraisals and evaluations. The MloD 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 MloD 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 MloD 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 MloD 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 MloD undertook an Ethics Risk Assessment of the MloD itself and as a result of this, it has been decided to review and update the MloD's own Code of Conduct and this is presently being done.

### **Research**

As part of its agreement with Ethics SA, the MloD 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 MloD has expanded its agreements for reciprocal arrangements with other similar organizations around the world. Members of the MloD 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 MloD 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 MloD was consulted on this report and also assisted the World Bank in presenting the findings.

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

The MloD 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 MloD 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 MloD 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](http://www.miod.mu).

### **Communications**

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

#### KEY PERFORMANCE INDICATORS 2011-2012

Key Performance Area	Key Strategic Objective	Target
Membership	Increase membership	50%
	Retention rate	90%
Training & Education	Attendance at workshops	Average 25 participants
	Roll out annual training programme	30 workshops pa
Events	Organise International Conference Members Networking Events	Sep 2011-min 100 pax 2
Communications	Regular PR Newsletters	Monthly Quarterly
Financial	Strategy 3 year Business Plan Revenue, expenditure and surplus Minimise cash tied up with debtors Monthly accounts	Annual review Updated annually As per budget 5% of total revenues Within 10 working days
People	Develop MloD team	Recruit 1 new team member Individual KPIs, annual performance reviews, and training and development plans in place

# **CORPORATE GOVERNANCE REPORT**

## **FOR THE YEAR ENDED 30 JUNE 2012**

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:

<b>NAME</b>	<b>CATEGORY</b>	<b>BOARD ATTENDANCE</b>
LEUNG SHING Georges (Chairman)	INED1	7/7
ARMOOGUM Devapragassen	INED	7/7
BENOIT James	INED	4/7
DINAN Pierre	INED	5/7
DVORAK Catherine	INED	3/4
HEBERDEN Vaughan	INED	3/4
LAGESSE Danielle	INED	4/7
LAMA Ravin	INED	4/4
SUDDHOO Arjoon	INED	1/7
THOMAS Appalsamy	INED	5/7
VALLS Jane Elizabeth Orde	ED2	7/7
WOODING Richard	INED	7/7
<b>Directors who retired on 21 Sept 2011</b>		
COLLENDAVELLOO Aruna Lata Vidia	INED	1/3
DUMBELL Georges	INED	2/3
JOONAS Sultana	INED	2/3

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 MloD 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  
B Sc (Econ), FCA

Formerly a senior partner of DCDM until his retirement in 2004; he presently serves as a director for a number of public companies in the manufacturing and financial services 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.

# 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

CEO Phoenix Beverages Group – Mauritius since July 2006. Held managerial positions in Heineken International, British American Tobacco and Rothmans International in Africa and Asia

# **CORPORATE GOVERNANCE REPORT**

## **FOR THE YEAR ENDED 30 JUNE 2012**

### **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 MloD.

### **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 MloD 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 MloD.

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.

# **CORPORATE GOVERNANCE REPORT**

## **FOR THE YEAR ENDED 30 JUNE 2012**

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 times 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

# CORPORATE GOVERNANCE REPORT

## FOR THE YEAR ENDED 30 JUNE 2012

<b>Attendance at all Committee Meetings</b>	<b>ARC</b>	<b>EC</b>	<b>MNC</b>	<b>CGC</b>
LEUNG SHING Georges (Chairman)	-	-	3/3	-
ARMOOGUM Devapragassen	-	4/5	3/3	-
BENOIT James	3/3	-	-	-
DINAN Pierre	-	-	3/3	-
DVORAK Catherine	2/3	-	-	-
HEBERDEN Vaughan	-	2/3	-	-
LAGESSE Danielle	-	3/5	-	3/3
LAMA Ravin	-	2/3	-	-
SUDDHOO Arjoon	3/3	-	-	2/3
THOMAS Appalsamy	-	-	3/3	-
VALLS Jane Elizabeth Orde	In Attendance 3/3	5/5	In Attendance 3/3	3/3
WOODING Richard	-	3/5	-	3/3
<b>Directors who retired on 21 Sept 2011</b>				
COLLENDAVELLOO Aruna Lata Vidia	-	2/2	-	-
JOONAS Sultana	-	1/2	-	-
DUMBELL George	0/1	-	-	-

The terms of reference of the Board Committees are available on the website of the MIoD ([www.miod.mu](http://www.miod.mu))

### 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](http://www.miod.mu).

### 8. Statement of Remuneration Philosophy

The MNC 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:

<b>Name</b>	<b>Remuneration (Rs.)</b>
VALLS, Jane Elizabeth Orde	3,495,588

# CORPORATE GOVERNANCE REPORT

## FOR THE YEAR ENDED 30 JUNE 2012

### 9. Annual Meeting of Members

As at 30 June 2012, the Company had 708 individual members.

The MloD 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
4. Members Networking Event	25 May 2012



### 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 MloD has been conducted and evaluated
- The MloD 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 MloD'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.

# **CORPORATE GOVERNANCE REPORT**

## **FOR THE YEAR ENDED 30 JUNE 2012**

### **13. Ethics**

The MloD 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 MloD into disrepute. They are also expected to comply with the Code of Conduct of the MloD which provides guidance on behaviour to be adopted by the members. The Code of Conduct is available on the website of the MloD.

### **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 MloD 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.

A handwritten signature in black ink, appearing to read 'Caryl Rey', written in a cursive style.

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**

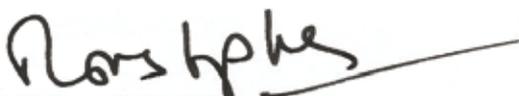
In our opinion, the financial statements on pages 31 to 46 give a true and fair view of the financial position of the Company at 30 June 2012 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the 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.

  
**MOORE STEPHENS**  
Chartered Accountants

PORT LOUIS  
MAURITIUS

  
**Arvin Rogbeer ACA**  
Signing Partner  
Licensed by FRC

08 AUG 2012

DATE: .....

# MAURITIUS INSTITUTE OF DIRECTORS

## STATEMENT OF FINANCIAL POSITION

### AS AT 30 JUNE 2012

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

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



Chairman  
Mr. Georges Leung Shing



Director  
Mr. Deva Armoogum

# MAURITIUS INSTITUTE OF DIRECTORS

## STATEMENT OF COMPREHENSIVE INCOME

### FOR THE YEAR ENDED 30 JUNE 2012

INCOME:	Notes	2012 Rs	2011 Rs
Corporate patrons contribution and donations		5,141,667	4,575,000
Interest received		267,940	131,919
Members subscriptions		1,625,700	1,170,400
Seminar revenue		6,951,704	5,766,868
Affinity revenue		52,500	12,750
<b>Total income</b>	<b>3 (c)</b>	<b>14,039,511</b>	<b>11,656,937</b>
<b>EXPENDITURE:</b>			
Audit fees		57,500	96,250
Bank charges		23,375	6,702
Computer software and licence		26,127	86,943
Membership expenses		275,733	156,655
General expenses		69,816	35,631
AGM expenses		194,075	34,500
Rental of equipment		-	5,175
Members' networking event expenses		78,591	40,825
Debtors written off		-	74,172
Depreciation		327,368	293,442
Insurance		77,159	52,211
Electricity		71,344	55,147
Entertainment		54,389	51,210
Legal expenses		12,938	279,450
Licences and taxes		10,500	10,500
Training of trainer		144,103	-
Retirement benefit obligations		276,909	-
Research work (survey)		199,008	-
Library and publications		6,567	8,687
Deficit on directors search		15,015	-
Professional fees		150,174	267,374
Provision for impairment of debtors		27,500	27,500
Public relation expenses		127,781	439,300
Overseas travelling		63,838	167,860
Rent and property expenses		488,406	482,302
Repairs		47,275	23,724
Salaries and personnel costs		5,020,868	4,392,947
Secretarial services		272,967	197,050
Seminar expenses		5,553,183	3,948,785
Stationery and printing		23,698	62,678
Telephone		158,813	124,724
<b>Total expenditure</b>		<b>13,855,020</b>	<b>11,421,744</b>
<b>SURPLUS OF INCOME OVER EXPENDITURE</b>		<b>184,491</b>	<b>235,193</b>

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

	<b>Members' funds</b>	<b>Total</b>
	<b>Rs</b>	<b>Rs</b>
<b>As at 01 July 2010</b>	4,002,109	4,002,109
Surplus of income over expenditure	235,193	235,193
<b>As at 30 June 2011</b>	4,237,302	4,237,302
Surplus of income over expenditure	184,491	184,491
<b>As at 30 June 2012</b>	<b>4,421,793</b>	<b>4,421,793</b>

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

# MAURITIUS INSTITUTE OF DIRECTORS

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2012

	2012	2011
Notes	Rs	Rs
Surplus of income over expenditure	184,491	235,193
Adjustments for:		
Interest received	(267,940)	(131,919)
Retirement benefit obligations	276,909	-
Depreciation	327,368	293,442
Provision for impairment of debtors	27,500	27,500
	<b>548,328</b>	424,216
<b>Movements in working capital</b>		
Increase in trade and other receivables	(86,791)	(261,359)
Increase in trade and other payables	171,820	207,904
Increase in deferred revenue	1,262,213	56,500
	<b>1,895,570</b>	427,261
<b>Cash flows generated from operating activities</b>	<b>1,895,570</b>	427,261
<b>Cash flows from investing activities</b>		
Purchase of plant and equipment	(67,463)	(143,278)
Interest received	267,940	131,919
	<b>2,096,047</b>	415,902
<b>Net increase in cash and cash equivalents</b>	<b>2,096,047</b>	415,902
<b>Movements in cash and cash equivalents</b>		
Cash and cash equivalents at the beginning of the year	4,516,854	4,100,952
Cash and cash equivalents at the end of the year	7 6,612,901	4,516,854
	<b>2,096,047</b>	415,902

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

# **MAURITIUS INSTITUTE OF DIRECTORS**

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2012

#### **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.”

# **MAURITIUS INSTITUTE OF DIRECTORS**

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2012

## **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 9 Financial Instruments (2010)

- 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)

# **MAURITIUS INSTITUTE OF DIRECTORS**

## *NOTES TO THE FINANCIAL STATEMENTS*

### *FOR THE YEAR ENDED 30 JUNE 2012*

### **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.

# **MAURITIUS INSTITUTE OF DIRECTORS**

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2012

#### **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.

# **MAURITIUS INSTITUTE OF DIRECTORS**

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2012

#### **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.

# **MAURITIUS INSTITUTE OF DIRECTORS**

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2012

#### **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.

# MAURITIUS INSTITUTE OF DIRECTORS

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2012

#### 5. PLANT AND EQUIPMENT

	Leasehold improvement	Computer equipment	Office furniture	Total
COST	Rs	Rs	Rs	Rs
<b>At 01 July 2011</b>	858,201	275,862	103,781	1,237,844
Additions	-	58,103	9,360	67,463
<b>At 30 June 2012</b>	858,201	333,965	113,141	1,305,307
<b>DEPRECIATION</b>				
<b>At 01 July 2011</b>	261,746	122,116	61,384	445,246
Charge for the year	214,550	84,728	28,090	327,368
<b>At 30 June 2012</b>	476,296	206,844	89,474	772,614
<b>NET BOOK VALUE</b>				
<b>At 30 June 2012</b>	<b>381,905</b>	<b>127,121</b>	<b>23,667</b>	<b>532,693</b>
At 30 June 2011	596,455	153,746	42,397	792,598

	2012	2011
6. TRADE AND OTHER RECEIVABLES	Rs	Rs
Trade receivables	<b>898,997</b>	829,270
Less: Provision for impairment of debtors	<b>(55,000)</b>	(27,500)
	<b>843,997</b>	801,770
Deposits	-	37,600
Prepayments	<b>81,530</b>	26,866
	<b>925,527</b>	866,236
Ageing of net receivables		
Less than 3 months	<b>632,047</b>	739,120
More than 3 months	<b>266,950</b>	90,150
	<b>898,997</b>	829,270

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.

# MAURITIUS INSTITUTE OF DIRECTORS

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2012

	2012	2011
	Rs	Rs
<b>7. CASH AND CASH EQUIVALENTS</b>		
MPCB deposit account	<b>4,300,000</b>	4,300,000
Bank savings accounts	<b>2,362,247</b>	319,518
	<b>6,662,247</b>	4,619,518
Bank current account	<b>(51,346)</b>	(104,664)
Cash in hand	<b>2,000</b>	2,000
	<b>6,612,901</b>	4,516,854

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

#### 8. ACCUMULATED FUNDS

Members' funds	<b>4,421,793</b>	4,237,302
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#### 9. TRADE AND OTHER PAYABLES

Trade payables	<b>451,983</b>	342,154
Accruals and other payables	<b>697,473</b>	635,482
	<b>1,149,456</b>	977,636

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	<b>942,180</b>	137,000
(ii) Members subscriptions billed during the year for the period extending beyond the year end	<b>854,700</b>	610,500
(iii) Contribution received during the year for the next financial period	<b>283,333</b>	175,000
(iv) Contribution - Research Work	<b>100,000</b>	-
(v) Affinity revenue	<b>42,750</b>	38,250
	<b>2,222,963</b>	960,750

# MAURITIUS INSTITUTE OF DIRECTORS

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2012

#### 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

Within 1 year

After 1 year and up to 3 years

	<b>2012</b>	<b>2011</b>
	<b>Rs</b>	<b>Rs</b>
(i) Lease rentals under operating leases expensed	-	-
(ii) Non cancellable operating lease rentals		
Within 1 year	<b>417,322</b>	393,700
After 1 year and up to 3 years	<b>180,730</b>	433,070
	<b>598,052</b>	826,770

#### 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.

# MAURITIUS INSTITUTE OF DIRECTORS

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2012

#### 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

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

##### Credit risk

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

##### Interest rate risk

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

The interest rate profile of the financial assets at 30 June was:

	Balance with bank - floating interest rate	
	2012	2011
	%	%
Mauritian rupees	5.1	4.5
	5.1	4.5

# MAURITIUS INSTITUTE OF DIRECTORS

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2012

#### 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:

##### 2012

<b>Financial assets</b>	Less than 1 month Rs	Total Rs
Trade and other receivables	843,997	843,997
Cash and cash equivalents	6,664,247	6,664,247
	7,508,244	7,508,244
	7,508,244	7,508,244
<b>Financial liabilities</b>		
Trade and other payables	451,983	451,983
Bank overdraft	51,346	51,346
	503,329	503,329
	503,329	503,329

Note: Prepayments are excluded from financial assets.

# **MAURITIUS INSTITUTE OF DIRECTORS**

## *NOTES TO THE FINANCIAL STATEMENTS*

### *FOR THE YEAR ENDED 30 JUNE 2012*

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

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

**2011**

<b>Financial assets</b>	Less than 1 month Rs	Total Rs
Trade and other receivables	839,370	839,370
Cash and cash equivalents	4,621,518	4,621,518
	5,460,888	5,460,888
<b>Financial liabilities</b>		
Trade and other payables	342,154	342,154
Bank overdraft	104,664	104,664
	446,818	446,818

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 Hongkong India  
Indonesia Japan Malaysia  
Philippines SAARC  
Singapore Thailand



Jeene Ka License



DALE INTERNATIONAL  
TRUST COMPANY LIMITED



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