
REPORT OF THE
DIRECTOR OF AUDIT

**On the Financial Statements
of the Mauritius Society of Authors
for the year ended 30 June 2021**

NATIONAL AUDIT OFFICE



Republic of Mauritius

NATIONAL AUDIT OFFICE

REPORT OF THE DIRECTOR OF AUDIT TO THE BOARD OF THE MAURITIUS SOCIETY OF AUTHORS

Report on the Audit of the Financial Statements

Qualified Opinion

I have audited the financial statements of the Mauritius Society of Authors, which comprise the statement of financial position as at 30 June 2021 and the statement of financial performance, statement of changes in equity, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the accompanying financial statements give a true and fair view of the financial position of the Mauritius Society of Authors as at 30 June 2021, and of its financial performance and cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSASs).

Basis for Qualified Opinion

Receivables from Exchange Transactions – Rs 12,677,792

The item included unsupported receivables totaling Rs 3,975,900 that dated back to the year 2014 and before, and long outstanding arrears for copyrights of Rs 752,860. No allowance for expected credit losses has been made in accounts.

Receivables from Non- Exchange Transactions – Rs 10,500,000

The amount represents grants from Government that were erroneously accrued in the accounts since 2010. The receivable is not collectible and needs to be written off.

Disclosures to Financial Statements

Appropriate disclosures were not provided regarding the following significant matters:

- *Exemption of Copyright Fees*

In the wake of the Covid-19 pandemic, the Copyright (Fees) Regulation 2021 granted copyright fee holiday to operators in the Tourism Industry and live performances in hotels and restaurants for the financial years 2020-21 and 2021-22. Copyrights were not collected from these operators, which accounted for more than 70 per cent of the revenue of the Society.

- *Related Party Transactions and Events after Reporting Date*

Remuneration of Key Management Personnel, and details regarding the court case relating the interdiction of the Director of the Society and of its status, were not provided in accounts.

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report. I am independent of the Mauritius Society of Authors in accordance with the INTOSAI Code of Ethics, together with the ethical requirements that are relevant to my audit of the financial statements in Mauritius, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key Audit Matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Except for the matters described in the Basis for Qualified Opinion section of my report, I have determined that there are no other key audit matters to communicate in my report.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report of the Mauritius Society of Authors, but does not include the financial statements and my report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IPSASs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Mauritius Society of Authors' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management intends to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Mauritius Society of Authors' financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Mauritius Society of Authors' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Mauritius Society of Authors' ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Mauritius Society of Authors to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or, when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Qualified Opinion

Statutory Bodies (Accounts and Audit) Act

I have obtained all information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit.

In accordance with the requirements of the Statutory Bodies (Accounts and Audit) Act, I report as follows:

- (a) except for the matter reported in my Basis for Qualified Opinion paragraph below, this Act in so far as it relates to the accounts, has been complied with. No direction relating to the accounts has been issued by the responsible Minister to the Mauritius Society of Authors;
- (b) in my opinion, and, as far as could be ascertained from my examination of the financial statements submitted to me, expenditure incurred were not of an extravagant or wasteful nature, judged by normal commercial practice and prudence; and
- (c) in my opinion, except for the matter reported in my Basis for Qualified Opinion paragraph below, the Mauritius Society of Authors has been applying its resources and carrying out its operations economically, efficiently and effectively.

Public Procurement Act

In accordance with the requirement of the Public Procurement Act, the auditor of every public body shall state in his annual report whether the provisions of Part V of the Act have been complied with.

In my opinion, the provisions of Part V of the Act have been complied with as far as it could be ascertained from my examination of the relevant records.

Basis for Qualified Opinion

- ***The Society has not complied with the Statutory Bodies (Accounts and Audit) Act***

Late Submission of Annual Report

The Annual Report, including the financial statements of Mauritius Society of Authors for the year ended 30 June 2021, was submitted on 7 August 2024, that is, some 33 months after the statutory deadline.

- ***The Society has not applied its resources and carried out its operations economically, efficiently and effectively***

Implementation of Copyright (Fees) Regulation) 2020

The regulations, effective from 1st July 2020, revised among others copyrights fees payable by the public broadcaster, public and private radios, and holders of Subscription Television Broadcasting licences, as well the fee payable by mobile network operators on caller tunes and similar service. The implementation of the regulations was not finalized as of September 2025. Significant revenue that were likely improve the turnaround of the Society was not being collected.

I performed procedures, including the assessment of the risks of non-compliance with laws and regulations, to obtain audit evidence to discharge my responsibilities as described in the 'Auditor's Responsibilities' section of my report as referred to below. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Management's Responsibilities for Compliance

In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible to ensure that the Mauritius Society of Authors' operations are conducted in accordance with the provisions of laws and regulations, including compliance with the provisions of laws and regulations that determine the reported amounts and disclosures in the entity's financial statements.

Auditor's Responsibilities

In addition to the responsibility to express an opinion on the financial statements described above, I am also responsible to report to the Board whether:

- (a) I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of the audit;
- (b) the Statutory Bodies (Accounts and Audit) Act and any directions of the Minister, in so far as they relate to the accounts, have been complied with;
- (c) in my opinion, and, as far as could be ascertained from my examination of the financial statements submitted to me, any expenditure incurred was of an extravagant or wasteful nature, judged by normal commercial practice and prudence;

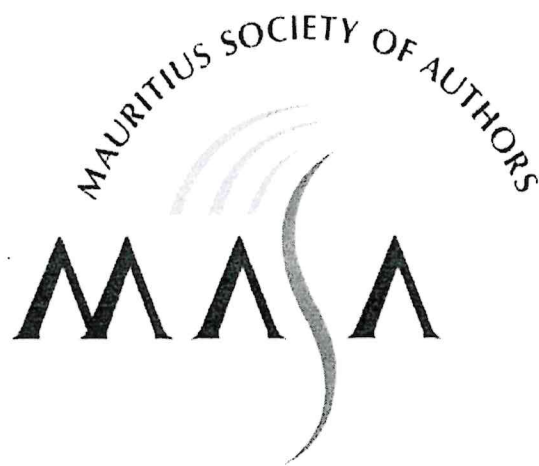
- (d) in my opinion, the Mauritius Society of Authors has been applying its resources and carrying out its operations economically, efficiently and effectively; and
- (e) the provisions of Part V of the Public Procurement Act regarding the bidding process have been complied with.



DR D. PALIGADU
Director of Audit

National Audit Office
14th Floor,
Air Mauritius Centre
PORT LOUIS

10 September 2025



ANNUAL REPORT: 2020-2021

CHAIRPERSON'S MESSAGE

I have the pleasure to present, on behalf of the Board, the Annual Report of MASA for the financial year 2020-2021.

The COVID-19 pandemic has impacted severely on the general collections of MASA. New challenges are to be met by collective management organizations around the world.

The Copyright (Fees) Regulations will be in application as from July 2021 and it is hoped that the collections will start gradually.

As far as distribution is concerned, MASA will introduce the matching solutions to its existing software. This will definitely ease the internal process of distribution exercises.

It is acknowledged that our members have faced financial difficulties during the confinement. So, assistance was given to them based on their contributions to the MASA Provident and Benevolent Fund. The assistance was also extended to associate-members who meet the criteria.

The Financial Assistance Policy (FAP) was introduced in October 2020 in favour of members for payment of medical expenses and to compensate for loss of revenue due to illness. This falls under the MASA Provident and Benevolent Fund.

The major projects in the pipeline are the re-activation of the MASA Artists Solidarity Scheme, the creation of a website and the development of a mobile application. We also hope to organize the AGM and the election of members at the earliest.

I take this opportunity to thank all members of the Board, the parent Ministry and the Staff for their contribution and commitment.

Gérard Daniel Louis OSK

Chairperson

CORPORATE PROFILE

The SOCIETY

The Mauritius Society of Authors (MASA) was established under the Copyright Act 1986. It was, subsequently, replaced by the Rights Management Society in the Copyright Act 2014. The appellation was further amended and reverted to MASA in the Copyright (Amendment) Act 2017.

Mission

(i) "To efficiently and effectively exercise and enforce the collection and distribution of royalties for the benefit of its members."

(ii) "To play a leading role in the African region and in the unification of African cultural actors especially with the challenges brought by a more high-tech era."

Vision

"To make arts and culture the vector boosting cultural diversity, through better promotion and protection of artists' interests, as an impetus of economic development."

Objectives

(i) "To professionally administer with excellence the Copyrights and Neighbouring rights of Rights Owners."

(ii) "To represent, defend and maximise the interest of all creators of Artistic, Literary and scientific works so that they are duly remunerated."

(iii) "To enable its members / creators to contribute in a sustainable cultural industry in Mauritius."

Values

(i) "To promote a culture of quality, transparency, integrity and honesty within the Copyright and Neighbouring right area."

(ii) "To inculcate a passion for excellence in all it does."

OBJECTS AND FUNCTIONS OF THE SOCIETY

According to Section 45 of the Act, the Society shall —

- (a) collect copyright fees and charges from the users of a work, on behalf of its members, and distribute those fees among the members;

- (b) determine the criteria for, and classes of, membership of the Society;
- (c) represent and defend the interests of its members in Mauritius and abroad;
- (d) contribute, by all appropriate means, to the promotion of national creativity in the artistic, literary and scientific fields;
- (e) administer within Mauritius such economic rights of its members as it may determine;
- (f) negotiate with any users of a work –
 - (i) the conditions of, and the fees and charges to be paid for, the authorisation to be given to do an act covered by any economic rights referred to in paragraph (e);
 - (ii) the amount of equitable remuneration where the right to such remuneration is administered by the Society;
- (g) grant any authorisation which it is permitted to give under this Act;
- (h) enter into reciprocal agreements with foreign collective management organisations for the issue of exclusive authorisation in respect of their members' works and for the collection and distribution of copyright fees deriving from those works;
- (i) endeavour to obtain the transfer of membership of Mauritian authors who are members of foreign collective management organisations and safeguard in favour of the Mauritian authors whose membership has been transferred, all the advantages which may have accrued to them before the transfer;
- (j) enter into contracts with relevant persons, for the benefit of its members, regarding the use of the works of the members;
- (k) foster such harmony and understanding between copyright owners and the users of their works as may be necessary for the protection of the economic rights of the authors;
- (l) provide its members with information or advice on all matters relating to copyright;
- (m) establish and administer a Provident Fund and a Benevolent Fund for its members and their heirs; and
- (n) discharge such other functions as may be prescribed.

GENDER STATEMENT

In devising its programmes, policies and benefits, the Society commits itself towards the integration of gender equality and equity. The Society promotes a healthy and collegial working environment for staff irrespective of gender. It ensures that all staff are equally valued, empowered and rewarded.

STAFFING

MASA is headed by an Officer-in-Charge who is responsible for the execution of the policy of the Board and the day-to-day administration of the Society. Support services were provided by nineteen full-time employees. The conditions of service of staff are governed by the Pay

Research Bureau. The services of an officer working at the Ministry of Arts and Cultural Heritage have been retained for procurement matters.

Director: Under Interdiction since June 2011 – The Financial Officer was designated as Officer-in-Charge

Accountant: Vacant

Financial Officer: 1

Membership & Repertoire Officer: Vacant

Senior Officer (MASA): 4

Management Support Officer (MASA): 10

Receptionist/Telephonist: 1

Driver/Office Attendant: 1

Office Attendant: 2

REVIEW OF ACTIVITIES AND ACHIEVEMENTS

DISTRIBUTION EXERCISE OF DECEMBER 2020

- ❖ Unidentified (2012-2016)
- ❖ Mechanical Rights (Mauritius) (September to December 2019)
- ❖ Mechanical Rights (Mauritius) (January to August 2020)
- ❖ Hotels Arrears Live and Recorded Music (2017)
- ❖ Hotels Arrears Live and Recorded Music (2018)
- ❖ Hotels Live and Recorded Music (2019)

DISTRIBUTION EXERCISE OF APRIL/MAY 2021

- ❖ Mechanical Rights (*September to December 2020*)
- ❖ Recorded Music Other Than Hotels 2019
- ❖ Hotel Recorded Music 2019 (*60 % of amount collected*)
- ❖ Hotel Live and Recorded Music 2019 (*Radisson Blu, Veranda G-Bay and Oberoi*)
- ❖ Hotel Recorded Music 2018 (*Remaining 40 % of amount paid in December 2020*)
- ❖ Hotel Arrears Live Music 2018 (*Oberoi, Radisson Blu and Outrigger*)
- ❖ Hotel Arrears Live Music 2017 (*Preskil Beach and Oberoi*)
- ❖ Hotel Arrears Live Music 2016 & 2017 (*Casuarina*)

COVID-19 FINANCIAL ASSISTANCE IN MAY 2021

Full-fledged members who have contributed more or equal to Rs 5,000 to the MASA Provident & Social Welfare Fund have been paid **Rs 5,000**.

Full-fledged members who have contributed less than Rs 5,000 but more than Rs 3,000 to the MASA Provident & Social Welfare Fund have been paid **Rs 2,500**.

Associate-members who have contributed more or equal to Rs 3,000 to the MASA Provident & Social Welfare Fund have been paid **Rs 2,500**.

CORPORATE GOVERNANCE

STATEMENT OF COMPLIANCE

The Society is committed to implement best practices in Corporate Governance with the ultimate objective to fully adhere to the recommendations and principles contained in the Code of Corporate Governance for Mauritius 2016.

According to the Statutory Bodies (Accounts and Audit) Act, the Society needs to include a Corporate Governance report in its Annual Report. It is a legal requirement that the Society complies with all the provisions of the Code.

The Society's Board confirms to the best of its knowledge that it has complied as far as possible with all its obligations and requirements under the Code of Corporate Governance, the Finance and Audit Act, Copyright Act, Statutory Bodies (Accounts and Audit) Act and other statutory requirements.

GOVERNANCE STRUCTURE

The Board meetings are a fundamental component of governance processes. Each Board meeting is critical as it is the main opportunity to fulfill its functions and responsibilities. According to the Copyright Act, the Board shall be convened by the Chairperson at such time and place as he thinks fit, or in his absence, by him. Ninemembers of the Board shall constitute a quorum. The Board shall regulate its meetings and proceedings in such manner as it thinks fit. A Secretary to the Board is appointed in accordance with Section 44 of the Act.

BOARD COMPOSITION

Mr. M. L. Veeraragoo	- Chairperson (Up to August 2020)
Late I. Bhugan (Firm)/	- Representative of the Ministry of Arts and Cultural
Mr. V. N. Boodhun (Alternate)	Heritage
Ms. D. Beesoondoyal	- Representative of the Attorney-General's Office
Mr. G. H. Sokeechand	- Representative of the Ministry responsible for the subject of finance

Mr. B. Ramdoyal (Firm)/ Mr. B. A. Seedoyal (Alternate)	- Representative of the Ministry responsible for the subject of industry
Mr. S. Pandoo	- Representative of the Ministry responsible for the subject of information and communication technology
Mr. O. Persand	- Representative of Customs Department
Mr. R. Moolye (Firm)/ Mr. S.K. Sobee (Alternate)	- Representative of the Industrial Property Office
Mr. M. Taucoory	- Appointed Member
Mr. J. J. Arjoon	- Member (Category Music Author, Composer and Performer)
Mr. G. Hurry	- Member (Category Music Author, Composer and Performer)
Mr. G. Louis osk	- Member (Category Audiovisual/Theatrical) (up to August 2020)
Ms G. Boulaye	- Member (Category Audiovisual/Theatrical)
Mr. N. O. H. C. Goder	- Member (Category Literary Author)
Mr. R. Hein	- Member (Category Publisher)

CHANGES ON THE BOARD DURING THE YEAR UNDER REVIEW

Chairperson	G. Louis osk (As from September 2020)
Representative of Ministry of Arts and Cultural Heritage	Mr. V. N. Boodhun (Firm)/Ms U. Sohar (Alternate)
Representative of Attorney General's Office	Mr. P. Balluck
Representative of the Ministry responsible for the subject of finance	Mrs. N.B. Aubdoollah-Suhootoorah
Representative of the Ministry responsible for the subject of industry	Mrs. G. Ramnauth (Firm)/Mr. A. Seedoyal (Alternate)
Representative of the Ministry responsible for the subject of information and communication technology	Mrs. N. B. Ally Hossen
Representative of Customs Department	Mr. O. Persand/Mr. R. Conhye
Representative of the Industrial Property Office	Mrs. D. Takoory
Member (Category Audiovisual/Theatrical)	Mr. D. Mootien (As from October 2020)

No. of meetings: 12

The term of office of elected members ended in April 2021. Due to the restrictions in connection with the outbreak of COVID-19, it was not possible to convene an Annual General Meeting in order to hold the new election.

Upon advice by the Attorney General's Office, Board meeting is held as long as a quorum of any nine members is met consisting of the seven *ex-officios* and the two members appointed by the Minister including the Chairperson.

BOARD COMMITTEES

To help the Board discharge its functions in a responsible and accountable manner, the Board's Committees as described below have been set up to ensure close monitoring of the Fund's operations and compliance with established regulatory guidelines.

Finance Committee No. of meeting:1	Mr. G. H. Sokeechand (Chairperson) Mr. S. Pandoo
Human Resource Committee No. of meeting:1	Mr. G. Hurry (Chairperson) Late I. Bhugan Mr. S. Pandoo Mr. V. Bundhun
MASA Provident and Benevolent Fund Committee No. of meetings:2	Mr. J.J. Arjoon (Chairperson) Mr. G. Louis osk Mr. G. H. Sokeechand Mr. S. Pandoo
Human Resource Committee (As from January 2021) No. of meeting: 1	Mr. G. Hurry (Chairperson) Mr. V. N. Boodhun Mr. D. Mootien Mrs. N. B. Ally Hossen Mr. V. Bundhun
Finance Committee (As from January 2021) No. of meetings : 2	Mrs. N. B. Aubdoollah-Suhootoorah (Chairperson) Mr. V. N. Boodhun Mr. D. Mootien Mr. R. Hein
Distribution and Technical Committee (As from January 2021) No. of meeting : Nil	Mr. R. Hein (Chairperson) Mrs. B. N. Aubdoollah-Sauhootoorah Mr. J. J. Arjoon Mr. G. Hurry

Membership and Repertoire Committee <i>(As from January 2021)</i> No. of meeting : Nil	Mr. M. Taucoory (Chairperson) Mr. G. D. Louis osk Mr. G. Hurry Ms G. Boulaye
Audit Committee <i>(As from January 2021)</i> No. of meeting : Nil	Mr. P. Balluck(Chairperson) Mr. J. J. Arjoon Mrs. G. Ramnauth Mrs. D. Takoory One Internal Control Officer from the parent Ministry
MASA Provident and Benevolent Committee <i>(As from January 2021)</i> No. of meeting : Nil	Mr. J. J. Arjoon (Chairperson) Mrs. B. N. Aubdoollah-Sauhotoorah Mr. G. D. Louis osk Mr. V. N. Boodhun

MEMBERS' REMUNERATION

The Chairperson and other Board members are paid fees in accordance with those prescribed by the Pay Research Bureau.

RISK MANAGEMENT

The Board ha the ultimate responsibility of managing risks. The Society ensures that adequate controls and measures are in place as well as their effectiveness to manage the most significant risk factors and to respond in a manner that is appropriate and proportional to the risks identified.

INTERNAL AUDIT

To ensure performance of the organisation's management systems and its operational activities, the assistance of the Internal Control Unit of the Parent Ministry willbeing sought to report on matters such as reliability of system and records, control of assets anddetection and prevention of malpractices

COMMUNICATION AND DISCLOSURES

The Society maintains an open-door policy with its stakeholders for ensuring optimal transparency and disclosure at all levels. The following mechanisms are used so that stakeholders are kept informed of activities:

- (i) Written communication
- (ii) Face-to-face meetings

- (iii) Networking with institutions; and
- (iv) Annual Report
- (v) Annual General Meeting held on 27 December 2020
- (vi) Workshop held on 21 January 2021

INTERNAL AUDIT

To ensure performance of the organization's management systems and its operational activities, the assistance of the internal control unit of the parent Ministry will be sought to report on matters such as reliability of system and records, control of assets and detection and prevention of malpractices.

AUDITING AND ACCOUNTING

The Board is responsible for the timely preparation of the Annual Report which includes the financial statements. The services of Accountants from the Ministry responsibility of the subject of finance were retained by the Board on 30 July 2020 for the preparation of the financial statements. The Financial Statements are audited by the National Audit Office against a fee.

RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

The Board believes and respects the interests of its stakeholders within the context of its fundamental purpose. Interactions with and feedback are given to applicants during the course of their applications through phone, letters and meetings.

The Annual General Meeting of members was held on 27 December 2020 at the St Mary's College in Rose-Hill.

MASA has entered into reciprocal agreements with forty foreign collective management organizations operating under the umbrella of the International Confederation of Societies of Authors and Composers (CISAC). MASA is a provisional member of CISAC. MASA is also a member of the International Federation of Reproduction Rights Organisation (IFRRO).

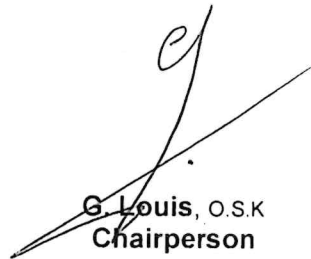
STATEMENT OF BOARD RESPONSIBILITIES

The Board is responsible for the overall management of the Society, ensuring that proper standards of corporate governance are maintained and are in compliance with statutory and regulatory obligations. The Board members fully understand the importance of corporate governance.

The Board is responsible for ensuring that procedures and practices are in place to protect the Society's assets and reputation. The Board is responsible for keeping proper accounting records for the purpose of recording all transactions relating to its funds and activities.

The Act also requires the preparation of financial statements for each financial year which presents fairly the financial position, financial performance and the cash flows of the Society.

All Statutory bodies specified in the schedule of the Statutory Bodies (Account and Audit) Act are required to align their financial year with that of government. Accordingly, the Society has prepared its Annual Report for year ended 30 June 2021.



G. Louis, O.S.K
Chairperson



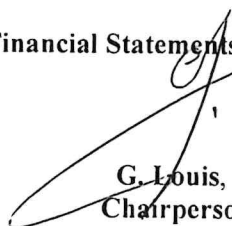
M. Taucoory, M.S.K
Board Member

MAURITIUS SOCIETY OF AUTHORS

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Notes	30-Jun-21 Rs	30-Jun-20 Rs Restated
ASSETS			
<u>Current Assets</u>			
Cash and Cash equivalent	5	97,714,432	109,344,816
Receivable from exchange transactions	6(a)	12,677,792	12,547,579
Receivable from non-exchange transactions	6(b)	10,500,000	10,500,000
Loans and Advances	7	958,009	958,009
Inventory	8	64,073	126,293
Total current assets		121,914,306	133,476,697
<u>Non-Current Assets</u>			
Property, Plant and Equipment	9	11,563,527	10,467,067
TOTAL ASSETS		133,477,833	143,943,764
LIABILITIES			
<u>Current Liabilities</u>			
Employee Benefits	10	981,128	727,814
Trade and other payables	11	118,276,334	124,322,908
Total current liabilities		119,257,462	125,050,722
<u>Non-Current Liabilities</u>			
Employee Benefits	10	26,180,968	29,516,133
Total Liabilities		145,438,430	154,566,855
NET ASSETS		(11,960,597)	(10,623,091)
NET ASSETS/EQUITY			
Provident & Social Welfare Fund		13,372,526	15,047,773
Accumulated Fund		(25,333,123)	(25,670,864)
TOTAL NET ASSETS/EQUITY		(11,960,597)	(10,623,091)

The Financial Statements were approved by the Board on 29 July 2024.


G. Louis, O.S.K
Chairperson


M. Taucoory, M.S.K
Board Member

The notes on pages 22 to 39 form an integral part of these financial statements

MAURITIUS SOCIETY OF AUTHORS

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021

	Notes	30-Jun-21 Rs	30-Jun-20 Rs Restated
<u>REVENUE</u>			
Revenue from non-exchange transactions:			
Grant from Government		5,017,396	5,784,770
Other income		913,029	2,867,078
		<u>5,930,425</u>	<u>8,651,848</u>
Revenue from exchange transactions:			
Income from Copyright fees and holograms	14	3,300,140	17,173,168
Subscription fees		217,500	551,800
		<u>3,517,640</u>	<u>17,724,968</u>
TOTAL REVENUE		<u>9,448,065</u>	<u>26,376,816</u>
<u>EXPENDITURE</u>			
Employee costs	12	11,767,446	11,666,312
Operating Expenses	13	1,709,144	3,266,793
Depreciation expense	9	557,328	330,160
		<u>14,033,918</u>	<u>15,263,265</u>
(Deficit)/Surplus for the Year		<u>(4,585,853)</u>	<u>11,113,551</u>

MAURITIUS SOCIETY OF AUTHORS

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Provident and Social Welfare Fund Rs	Accumulated Fund Rs	Total Rs
Opening balance 01 July 2019	16,686,116	(18,563,330)	(1,877,214)
<i>Prior year adjustments:</i>			
Retirement Benefit Obligations	-	(17,796,333)	(17,796,333)
Overprovision of passage benefits	-	501,646	501,646
Subscription receivables	-	1,079,981	1,079,981
Provident fund	(198,800)	(6,379)	(205,179)
Advance wrongly treated as income	-	(2,000,000)	(2,000,000)
Opening balance 01 July 2019, restated	16,487,316	(36,784,415)	(20,297,099)
Contribution received during the year	1,320,457	-	1,320,457
Payments made during the year	(2,760,000)	-	(2,760,000)
Surplus for the year	-	11,113,551	11,113,551
Closing balance 30 June 2020	15,047,773	(25,670,864)	(10,623,091)
Contribution received during the year	638,269	-	638,269
Payments made during the year	(2,313,516)	-	(2,313,516)
Deficit for the year	-	(4,585,853)	(4,585,853)
Re-measurements of defined benefit liability/(asset)	-	4,923,594	4,923,594
Closing balance 30 June 2021	13,372,526	(25,333,123)	(11,960,597)

MAURITIUS SOCIETY OF AUTHORS

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2021

	30 June 2021	Restated 30 June 2020
	Rs	Rs
Cash flow from operating activities		
Receipts		
Other receipts	15,421,097	34,543,935
Payments		
Compensation of employees	(9,074,420)	(10,054,516)
Supplies and consumables used	(702,614)	(830,297)
Other payments	(13,945,412)	(13,704,627)
Net Cash flows from operating activities	<u>(8,301,349)</u>	<u>9,954,495</u>
Cash flows from investing activities		
Cash Payment to acquire Fixed Assets	<u>(1,653,788)</u>	<u>(587,583)</u>
Net Cash flows from investing activities	<u>(1,653,788)</u>	<u>(587,583)</u>
Cash flows from financing activities		
Contribution to social welfare & Provident fund	638,269	1,320,457
Payment from Social welfare and Provident Fund	<u>(2,313,516)</u>	<u>(2,760,000)</u>
Net Cash flows from financing activities	<u>(1,675,247)</u>	<u>(1,439,543)</u>
Net (decrease)/increase in cash and cash equivalent	(11,630,384)	7,927,369
Cash and cash equivalents at beginning of year	<u>109,344,816</u>	<u>101,417,447</u>
Cash and cash equivalents at end of year	<u>97,714,432</u>	<u>109,344,816</u>

Note to the Cash Flow Statement

1. Cash and cash equivalents consist of balances held with banks.
2. Cash payments of Rs 1,653,788 were made to purchase plant and equipment during the year.
3. Reconciliation of Net Cash Flows from Operating Activities to Surplus/ (Deficit):

		30 June 2021	Restated 30 June 2020
		Rs	Rs
Deficit for the year		(4,585,853)	11,113,551
Non-Cash movements			
Prior year adjustment		-	(18,214,706)
Depreciation		557,328	330,160
(Decrease)/Increase in payables		(6,046,574)	3,183,247
Decrease/(Increase) in inventory		62,220	(113,331)
Decrease/(Increase) in Receivables		(130,213)	(5,069,298)
Increase in Employee Benefit Payables		1,841,743	18,724,872
Net cash flows from operating activities		(8,301,349)	9,954,495

MAURITIUS SOCIETY OF AUTHORS

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021

	Original Estimates	Revised Estimates*	Actual Amount	Difference
	Rs	Rs	Rs	Rs
<u>RECURRENT BUDGET</u>				
Recurrent Revenue				
Grant	3,200,000	3,200,00	5,017,396	1,817,396
Other revenue	10,000,000	10,000,000	10,403,702	403,702
Total Recurrent revenue	13,200,000	13,200,000	15,421,098	2,221,098
Recurrent Expenditure				
Compensation of employees	18,726,680	18,726,680	9,074,420	(9,652,260)
Purchase of Goods and Services	2,101,066	2,101,066	702,614	(1,398,452)
Other payments	2,260,000	2,260,000	13,945,412	11,685,412
Total Recurrent expenditure	23,087,746	23,087,746	23,722,446	634,698
Recurrent Balance	(9,887,746)	(9,887,746)	(8,301,348)	1,586,398
<u>CAPITAL BUDGET</u>				
Capital Expenditure				
Acquisition of Non-Financial Assets	4,717,000	4,717,000	1,653,788	(3,063,212)
Transfer to Social and welfare provident fund			1,675,247	1,675,247
Capital Balance	4,717,000	4,717,000	21,459	(1,387,965)
Budget Balance (Before Net Acquisition of Financial Assets)	14,604,746	14,604,746	8,279,889	2,974,363
Net balance	14,604,746	14,604,746	8,279,889	2,974,363

* Refers to the final amount approved after Supplementary Appropriation and Virement.

Notes to the Statement of Comparison of Budget and Actual Amounts

1. Due to the Covid lockdown in March 2021 entailing closure of offices, the Society could not carry out its normal activities properly, which explains the significant decrease in actual other expenses compared to budget.
2. The Statement of Comparison of Budget and Actual Amounts are prepared on the same basis as the budget. The approved budget covers the financial period from 1 July 2020 to 30 June 2021. The original budget was approved by the board of the Society on 14 September 2020 and by the Ministry of Arts and Cultural Heritage on 08 September 2020.
3. The budget and the accounting bases differ. The financial statements for the Society are prepared on the accrual basis, using a classification based on the nature of expenses in the Statement of Financial Performance. The financial statements differ from the budget which is approved on the cash basis.
4. Reconciliation of Statement of Comparison of Budget and Actual amount with Statement of Financial Performance for the year ended 30 June 2021

Revenue	Rs
Actual amount on comparable basis as presented in the Budget and Actual Comparable Statement	15,421,098
Basis Difference	
Opening Accruals/Receivables	(24,005,590)
Closing Accruals/Receivables	24,135,801
Set-off against payables	31,044
Distribution to artist	(6,134,288)
Actual amount on the Statement of Financial Performance	9,448,065

Expenditure	Rs
Actual amount on comparable basis as presented in the Budget and Actual Comparable Statement	23,722,446
Basis Difference	
Opening Accruals/Payables	(154,566,855)
Closing Accruals/Payables	145,438,430
Opening inventory	126,293
Closing inventory	(64,073)
Distribution to artist	(6,134,288)
Set-off against receivables	(31,044)
Re-measurements of defined benefit liability/(asset)	4,985,681
Depreciation and Amortisation	557,328
Actual amount on the Statement of Financial Performance	14,033,918

MAURITIUS SOCIETY OF AUTHORS

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The MAURITIUS SOCIETY OF AUTHORS (the Society) was established by the Copyright Act 1986 and it operates under the aegis of the Ministry of Arts and Cultural Heritage.

The functions of the Society, as amended by the Copyright Amendment Act 2017, are to: -

- (a) collect copyright fees and charges from the users of a work, on behalf of its members, and distribute those fees among the members;
- (b) determine the criteria for, and classes of, membership of the Society;
- (c) represent and defend the interests of its members in Mauritius and abroad;
- (d) contribute, by all appropriate means, to the promotion of national creativity in the artistic, literary and scientific fields;
- (e) administer within Mauritius such economic rights of its members as it may determine;
- (f) negotiate with any users of a work the conditions of, and the fees and charges to be paid for, the authorisation to be given to do an act covered by any economic rights and/or the amount of equitable remuneration where the right to such remuneration is administered by the Society;
- (g) grant any authorisation which it is permitted to give under this Act;
- (h) enter into reciprocal agreements with foreign collective management organisations for the issue of exclusive authorisation in respect of their members' works and for the collection and distribution of copyright fees deriving from those works;
- (i) endeavour to obtain the transfer of membership of Mauritian authors who are members of foreign collective management organisations and safeguard in favour of the Mauritian authors whose membership has been transferred, all the advantages which may have accrued to them before the transfer;
- (j) enter into contracts with relevant persons, for the benefit of its members, regarding the use of the works of the members;
- (k) foster such harmony and understanding between copyright owners and the users of their works as may be necessary for the protection of the economic rights of the authors;
- (l) provide its members with information or advice on all matters relating to copyright; and
- (m) establish and administer a Provident Fund and a Benevolent Fund for its members and their heirs.

The business address of the Society is at the Avenue des Artistes, Beau-Bassin.

MAURITIUS SOCIETY OF AUTHORS

2. ACCOUNTING POLICIES

2.1 Basis of Reporting

(a) Reporting Entity

The reporting entity is the MAURITIUS SOCIETY OF AUTHORS.

(b) Reporting Period

The reporting period for these financial statements is the year ended 30 June 2021.

(c) Authorisation date

These financial statements were authorised on **29 July 2024** by the Board of the Society.

(d) Basis of Preparation

The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period.

- Estimates

The Estimates (Budget) figures included in these financial statements are for the Society. The budget and the accounting bases differ. The budget of the Society is on a cash basis except for cost of borrowings and carry-over of capital expenditure which are appropriated on an accrual basis. The Statement of Financial Position and Statement of Financial Performance are prepared on an accrual basis.

The Statement of Comparison of Budget and Actual Amounts are prepared on the same basis as the budget. The approved budget covers the financial period from 1 July 2020 to 30 June 2021. The original budget was approved by the Board of the Society on in March 2020.

- Financial Statements

These financial statements have been prepared on a historical cost basis, except for certain assets and liabilities which have been revalued as set out in these accounting policies. The accounting policies have been applied consistently throughout the period. The cash flow statement has been prepared using the direct method. The financial statements are presented in Mauritian Rupees (Rs), which is the functional currency of the Society. All amounts have been rounded to the nearest rupee.

(e) Statement of Compliance

The financial statements have been prepared in accordance with accrual basis International Public Sector Accounting Standards (IPSAS) and are in accordance with Section 19 (13A) (a) the Finance & Audit Act 1973 as subsequently amended and as per the requirement for Statutory Bodies specified in the Second Schedule of the Statutory Bodies (Accounts and Audit) Act.

MAURITIUS SOCIETY OF AUTHORS

2. ACCOUNTING POLICIES

2.1 Basis of Reporting (Continued)

(f) **Statement of Compliance (continued)**

To the extent that the Society is presenting its financial statements on the IPSAS basis for the first time and that the last financial statements were prepared in compliance with Financial Reporting Standards for Small Entities (FRSSE), where necessary and where practicable, comparative figures have been amended to conform to changes in presentation, or in accounting policies in the current year to comply with IPSAS. ✓

The Society has adopted IPSAS for the first time on 01 July 2020, the transition from FRSSE to IPSAS accounting basis did not impact on its reported Financial Position and Financial Performance. The financial statements of the Society for year ended 30 June 2021 fully complies with IPSAS. ✓

(g) **Standards issued but not adopted by the Society**

For the year ended 30 June 2021, the following IPSAS have not been adopted by the Society as they did not relate to the activities of the Society:

- IPSAS 4- The Effects of Changes in Foreign Exchange Rates
- IPSAS 5- Borrowing Costs
- IPSAS 11- Construction Contracts
- IPSAS 16- Investment Property
- IPSAS 18- Segmental Reporting
- IPSAS 27- Agriculture
- IPSAS 31- Intangible Assets
- IPSAS 32- Service Concession Arrangements: Grantor
- IPSAS 36- Investment in Associates and Joint Ventures
- IPSAS 37- Joint Arrangements
- IPSAS 38- Disclosure of Interests in Other Entities

2.2 Significant accounting policies

The principal accounting policies adopted by the Society are as follows:

(a) **Cash and Cash equivalents**

Cash and Cash Equivalents comprise cash at bank and cash in hand. 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.

MAURITIUS SOCIETY OF AUTHORS

2. ACCOUNTING POLICIES

2.2 Significant accounting policies (continued)

(b) Receivables from Non-exchange transactions

Receivables from non-exchange transactions are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are recognized initially at fair value plus any directly attributable transaction costs and subsequently measured at amortized cost, using the effective interest method less any impairment.

(c) Inventory

Inventory have been valued at cost and net realizable value. Net realizable value means the net amount that the entity will realise from the sale of the inventories. Cost shall comprise of all costs incurred in bringing the inventories to its location and condition. Such costs include purchase costs, conversion costs, and other costs.

(d) Payables

Short term payables and deposits are initially recognized at their carrying amount, except in cases where the impact of discount is material, as they are a reasonable approximation of fair value. Long term payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

(e) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost or valuation, net of accumulated depreciation.

Depreciation is the systematic allocation of funds representing the use of an asset over its useful life. The useful life is the period over which the entity is expected to use the asset. The useful life of each asset shall be determined.

The residual value is defined as the amount that an entity would currently obtain from disposing the asset:

- (i) after deducting the estimated costs of disposals; or
- (ii) if it was at the age and condition expected at the end of its useful life

The residual value of the asset shall be estimated as an entity does not normally depreciate to zero. However, residual value can only be ignored if it is significant.

The depreciation charged for each item and for each period shall be recognized in the Statement of Profit or Loss for the period. Depreciation is provided on the straight-line basis so as to write off the depreciable value of the assets over their expected useful economic lives.

MAURITIUS SOCIETY OF AUTHORS

2. ACCOUNTING POLICIES (CONTINUED)

2.2 Significant accounting policies (continued)

(e) Property, Plant and Equipment (Continued)

The annual rates of depreciation used for the purpose are as follows:

Building and renovation works	2%	Office Equipment	15%
Repertoire de la presse	50%	Office Furniture	10%
Motor vehicles	20%	Computer Equipment	25%

(f) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Society has a present legal or constructive obligation resulting from past events that will result in a probable outflow of economic benefits that can be measured with sufficient reliability. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the reporting date.

(g) Employee benefits

(i) Short Term Employee Benefits

Short term employee benefits are benefits which are expected to be settled wholly before twelve months after the reporting period in which the employee renders the related service.

The short-term employee benefits of the Society consist of salaries, wages, salary compensation, overtime, travelling and transport, allowances, end of year bonus, social security contributions, passage benefits, and allowance in lieu of passage benefits.

Passage benefits represents the estimated liability of the Society in respect of passage benefits accrued to public officers on permanent and pensionable establishment drawing a minimum monthly salary of Rs 25,525 or reckoning at least five years' service. Passage benefits are earned at the rate of 5% of the gross salaries annually.

Short term employee benefits are expensed in the period the employee renders the service and a liability is recognized in respect of amount not paid at the end of the financial year.

MAURITIUS SOCIETY OF AUTHORS

2. ACCOUNTING POLICIES (CONTINUED)

2.2 Significant accounting policies (Continued)

(g) Employee benefits (Continued)

(ii) *Short Term Paid leaves*

Non-accumulating paid leave (casual, portion of sick leave, maternity, and study leaves) are expensed in the period the leave is taken and are measured at the rates paid or payable. Accumulating paid leave (bank of sick leave and vacation leave) are expensed in the period the employee renders the service and a liability is recognized in respect of amount not paid at the end of the financial year.

(iii) *Post- Employment Benefits:*

Defined Benefit Plan

The Society operates a Defined Benefit Plan for employees who joined service prior to 2013. The calculation of defined benefit obligations is performed on a 3-yearly basis by a qualified actuary. The cost of providing benefits are calculated by independent actuaries using the projected unit method. The benefits are then discounted in order to determine the present value of the defined benefit obligation and the current service cost. The fair value of any plan assets are deducted from the present value of the defined benefit obligation. This value is then adjusted for any effect of limiting a net defined benefit asset to the asset ceiling to obtain the net defined benefit liability (asset).

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the net assets/equity.

Remeasurement recognized in net assets/ equity is not reclassified to surplus or deficit in subsequent period. Current service cost, past service cost and gain or loss on settlement, net interest on the net defined benefit liability (asset) is recognized in surplus or deficit.

(h) Revenue Recognition

(i) *Revenue from Exchange Transactions*

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

MAURITIUS SOCIETY OF AUTHORS

2. ACCOUNTING POLICIES (CONTINUED)

2.3 Significant accounting policies (Continued)

(h) Revenue Recognition (Continued)

(i) Revenue from Exchange Transactions (Continued)

Revenue is measured at the fair value of the consideration received or receivable. Revenue from Exchange Transactions of the Society comprise of copyrights fees, hologram and subscriptions fees from artists registered with the Society

(ii) Revenue from Non-Exchange Transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Revenue is measured at the amount of the increase in net assets recognized by the entity. Revenue from Non-exchange transactions of the Society comprise of Grant from Government and other income. These are measured at fair value and recognized on obtaining control of the asset (cash, goods, and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Society and can be measured reliably.

(i) Expenses

Expenses are charged to the Statement of Financial Performance in the period to which they are relate. Operating Expenses are recognised in the period when goods are received or services are rendered.

(j) Related party transactions

The Society regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Society, or vice versa. This includes relationship with entities forming part of the Society, key management personnel and their close family members. Members of key management are regarded as related parties and comprise of the Executive Council members. Transactions between these related parties and the Society is disclosed in these financial statements except for transactions that would occur within a normal supplier or client/recipient relationship on terms and conditions no more or less favorable than those which it is reasonable to expect the Society would have adopted when dealing with that individual or entity at arm's length in the same circumstances.

MAURITIUS SOCIETY OF AUTHORS

3. Financial Risk Management

The Society is exposed to interest rate risk, credit risk and liquidity risk. These risks are managed by the Society.

(i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Society's exposure to the risk of changes in market interest rates relates primarily to the Society's bank accounts held.

(ii) Credit Risk

Credit risk is the risk of financial loss to the Society if customers or counterparties to financial instruments fail to meet their contractual obligations, and it arises principally from the Society's collection from subscriptions and refunds.

(iii) Liquidity Risk

Liquidity risk is the risk of the Society not being able to meet its obligations as they fall due. The Society's approach to managing liquidity risk is to ensure that sufficient liquidity is available to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Society's reputation. The Society ensures that it has sufficient cash on demand to meet expected operating expenses through the use of cash flow forecasts. In addition, liquidity risk is managed on an individual entity basis, which generally requires entities to hold assets of appropriate quantity and quality to meet their obligations as they fall due.

The table below analyses the Society's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date:

	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Later than one year and not later than five years
	Rs	Rs	Rs	Rs
At 30 June 2021				
Payables	-	1,520,650	-	116,755,684
Employee Benefits	-	-	4,993	-
Total	-	1,520,650	4,993	116,755,684

MAURITIUS SOCIETY OF AUTHORS

3. Financial Risk Management

(iii) Liquidity Risk (Continued)

	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Later than one year and not later than five years
	Rs	Rs	Rs	Rs
At 30 June 2020				
Payables	-	563,827	-	123,759,081
Employee Benefits	-	-	17,305	-
Total	-	563,827	17,305	123,759,081

124,392,5

17,305

124,340,212

4. Key Assumptions and Judgements

The preparation of the Society's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

(i) Judgements

In the process of applying the Society's accounting policies, management has made judgments, which have the most significant effect on the amounts recognized in these financial statements. Judgement was applied by management to raise provisions and determine an estimate based on the information available.

(ii) Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Society based its assumptions and estimates on parameters available when these financial statements were prepared.

MS A36 430
124,340,212
21,000,000
80,299,082-30
101,135

MAURITIUS SOCIETY OF AUTHORS

4. Key Assumptions and Judgements (Continued)

(ii) Estimates and Assumptions (continued)

However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Society. Such changes are reflected in the assumptions when they occur.

▪ Defined Benefit Obligations (DBO)

The Society's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses (as analyzed in Note 10).

	30-Jun-21	30-Jun-20
	Rs	Rs Restated
5. CASH AND CASH EQUIVALENTS		
Cash at bank	97,707,843	109,331,330
Petty Cash	6,589	13,486
Closing balance	<u>97,714,432</u>	<u>109,344,816</u>
	30-Jun-21	30-Jun-20
	Rs	Rs Restated
6(a). RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Copyright fees and Holograms	<u>12,677,792</u>	<u>12,547,579</u>
	30-Jun-21	30-Jun-20
	Rs	Rs Restated
6(b). RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS		
Grant from Government	<u>10,500,000</u>	<u>10,500,000</u>
	30-Jun-21	30-Jun-20
	Rs	Rs Restated
7. LOANS AND ADVANCES		
Loans and Advances from Artists	<u>958,009</u>	<u>958,009</u>
	30-Jun-21	30-Jun-20
	Rs	Rs
8. INVENTORY		
At 01 July	126,293	20,603
Movement	(62,220)	105,690
At 30 June	<u>64,073</u>	<u>126,293</u>

MAURITIUS SOCIETY OF AUTHORS

9. PROPERTY, PLANT AND EQUIPMENT

<u>COST</u>	Land	Building	Repertoire	Motor vehicle	Repertoire de la presse	Renovation Works	Office Equipment & Website	Office Furniture	Computer Equipment	Total
(Rs)	(Rs)	(Rs)	(Rs)	(Rs)	(Rs)	(Rs)	(Rs)	(Rs)	(Rs)	(Rs)
Balance as at 01 July 2020	1,513,409	4,439,330	390,000	805,000	140,000	6,411,193	2,627,427	1,742,103	1,230,447	19,298,909
Additions during the year	-	-	-	-	-	217,900	-	-	1,435,888	1,653,788
Balance as at 30 June 2021	1,513,409	4,439,330	390,000	805,000	140,000	6,629,093	2,627,427	1,742,103	2,666,335	20,952,697
DEPRECIATION										
Balance as at 1 July 2020	-	1,198,620	-	805,000	140,000	1,602,799	2,599,442	1,737,583	748,398	8,831,842
Charge for the year	-	88,787	-	-	-	132,582	7,068	548	328,343	557,328
Balance as at 30 June 2021	-	1,287,407	-	805,000	140,000	1,735,381	2,606,510	1,738,131	1,076,741	9,389,170
Net Book Value as at 30 June 2021	1,513,409	3,151,923	390,000	-	-	4,893,712	20,917	3,972	1,589,594	11,563,527
Net Book Value as at 30 June 2020	1,513,409	3,240,710	390,000	-	-	4,808,394	27,985	4,520	482,049	10,467,067

MAURITIUS SOCIETY OF AUTHORS

10. EMPLOYEE BENEFITS

	30-Jun-21	30-Jun-20
	Rs	Rs Restated
<i>Classified under Current Liabilities</i>		
Sick leaves obligations	/ 4,993	17,305
Vacation leaves obligations	-	-
Passage benefit obligations	976,135	710,509
	<u>981,128</u>	<u>727,814</u>
<i>Classified under Non- current liabilities</i>		
Retirement benefit obligations	20,297,082	23,800,431
Sick leaves obligations	3,048,989	3,167,978
Vacation leaves obligations	2,834,897	2,547,724
	<u>26,180,968</u>	<u>29,516,133</u>
Total	<u>27,162,096</u>	<u>30,243,947</u>

Provision for retirement benefits for the Society's staff are made under the Statutory Bodies Pension Act 1978 as amended. The pension plan is a final salary defined benefit plan for employees and is wholly funded by the employer and the employees. The assets of the funded plan are held independently and are administered by the State Insurance Company of Mauritius Ltd (SICOM Ltd). The following employee benefits information is based on the report submitted by SICOM in line with IPSAS 39:

	30 June 2021	30 June 2020
	Rs	Rs
<i>(i) Amounts recognised in Statement of Financial Position:</i>		
Defined benefit obligation	23,566,475	27,144,799
Fair value of plan assets	(3,269,393)	(3,344,368)
Liability recognised in Statement of Financial Position	<u>20,297,082</u>	<u>23,800,431</u>
<i>(ii) Amounts recognised in Statement of Financial Performance:</i>		
Current service cost	1,090,365	1,386,879
Employee Contributions	(231,315)	(389,560)
Fund Expenses	91,568	48,929
Net Interest expense/ (income)	893,704	839,843
Profit & Loss Charge	<u>1,844,322</u>	<u>1,886,091</u>
<i>(iii) Remeasurement</i>		
Liability (gain) / Loss	(4,890,699)	104,459
Assets (gain) / Loss	(32,895)	(104,459)
Net Assets/Equity	<u>(4,923,594)</u>	<u>-</u>

	30 June 2021	30 June 2020
	Rs	Rs
<i>(iv) Movements in Liability recognised in the Statement of Financial Position:</i>		
At start of year	23,800,431	22,628,534
Amount recognised in Profit & Loss	1,844,322	1,886,091
Contributions paid by employer	(424,077)	(714,194)
Amount recognised in Net Asset/ equity	(4,923,594)	-
At end of year	20,297,082	23,800,431
<i>(v) Reconciliation of present value of obligation:</i>		
Present value of obligation at start of period	27,144,799	26,365,684
Current service cost	1,090,365	1,386,879
Interest cost	1,016,409	969,935
(Benefits paid)	(794,399)	(1,682,158)
Liability (gain)/ loss	(4,890,699)	104,459
Present value of obligation at end of period	23,566,475	27,144,799
<i>(vi) Reconciliation of fair value of plan assets:</i>		
Fair value of plan assets at start of period	3,344,368	3,737,150
Expected return on plan assets	122,705	130,092
Employer contributions	424,077	714,194
Employee contributions	231,315	389,560
Benefits paid + other outgo	(885,967)	(1,731,087)
Asset gain/(loss)	32,895	104,459
Fair value of plan assets at end of period	3,269,393	3,344,368
<i>(vii) Distribution of plan assets at end of period were:</i>		
Percentage of assets at end of year		
Fixed-interest securities and cash	54.8%	61.7%
Loans	2.8%	3.0%
Local equities	11.8%	10.1%
Overseas bonds and equities	30.1%	24.6%
Property	0.5%	0.6%
Total	100%	100%
<i>(viii) Additional disclosure on assets issued or used by the reporting entity:</i>		
Percentage of assets at end of year	(%)	(%)
Assets held in the entity's own financial instruments	-	-
Property occupied by the entity	-	-
Other assets used by the entity	-	-
<i>(ix) Components of the amount recognised in Net Assets/Equity:</i>		
Asset experience gain/(loss) during the period	32,895	104,459
Liability experience gain/(loss) during the period	4,890,699	(104,459)
	4,923,594	-

(x) *Weighted average duration of the defined benefit obligation (Calculated as a % change in PV of liabilities for a 1% change in discount rate) : 19 years*

(xi) *Additional disclosure on assets issued or used by the reporting entity:*

At the end of the reporting period, assets were neither held in entity's own financial instruments nor were property and other assets occupied or used by the entity.

(xii) Expected Employer's contributions for the financial year 2022/2023: Rs 809,590.

(xiii) The plan is exposed to actuarial risks such as: Investment risk, Interest rate risk, mortality and longevity risk and salary risk. The risk relating to death in service benefits is reinsured.

(xiv) The cost of providing the benefits is determined using the Projected Unit Method. The principal assumptions used for the purpose of the actuarial valuation were as follows:

	30 June 2021	30 June 2020
Discount rate	5.40%	3.80%
Future salary increases	3.00%	2.40%
Future pension increases	2.00%	1.40%
Mortality before retirement	Nil	
Mortality in retirement	PA (90) Tables- rated down by 2 years	
Retirement age	65 years	
The discount rate is determined by reference to market yields on bonds.		

(xv) Significant actuarial assumptions for determination of the defined benefit obligation are discount rate, expected salary increase & mortality. The sensitivity analyses below have been determined based reasonably on possible changes of the assumptions occurring at the end of the reporting period.

- If the discount rate would be 100 basis points (1%) higher (lower), the defined benefit obligation would decrease by Rs 4.56 million (increase by Rs 6.05 million) if all other assumptions were held unchanged.
- If the expected salary would increase (decrease) by 100 basis points, the defined benefit obligation would increase by Rs 3.61 million (decrease by Rs 2.96 million) if all assumptions were held unchanged.
- If life expectation would increase (decrease) by one year, the defined benefit obligation would increase by Rs 0.89 million (decrease by Rs 0.89 million) if all assumptions were held unchanged.
- In reality one might expect interrelationships between the assumptions, especially between discount rate and expected salary increases, given that both depends to a certain extent on expected inflation rates. The analysis above abstracts from these interdependence between the assumptions.

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	30-Jun-21	30-Jun-20
	Rs	Rs Restated
11. PAYABLES		
Undistributed copyright rights	114,755,684	121,759,080
Advance from Ministry of Arts	2,000,000	2,000,000
VAT payable	(6,639)	-
Accruals and Supply creditors	1,527,289	563,828
Closing balance	<u>118,276,334</u>	<u>124,322,908</u>
	30-Jun-21	30-Jun-20
	Rs	Rs
12. EMPLOYEE COSTS		
Salaries, bonuses & allowances	7,649,925	7,902,545
Travelling and Transport	417,685	434,418
Pension Contribution and FPS	2,517,438	2,651,016
National Savings Fund	387,651	129,996
Staff Welfare and other benefits	33,498	12,575
Passage Benefit	352,074	268,224
Sick leaves	122,002	134,882
Vacation leaves	287,173	132,656
	<u>11,767,446</u>	<u>11,666,312</u>
	30-Jun-21	30-Jun-20
	Rs	Rs
13. OPERATING EXPENSES		
Legal and Professional Fees	166,793	379,385
Chairman and Board Member fees	412,351	508,860
Rent	71,814	113,034
Office expenses	42,325	72,115
Telephone and fax	273,047	180,331
Electricity and Water	102,477	175,617
Repairs and maintenance	62,354	12,845
Printing and Stationery	139,700	112,934
Car running expenses	-	2,000
Overseas mission	-	27,466
Holograms and stamps	62,220	(46,081)
Security	19,500	14,580
Advertising	55,370	-
Hired Transport	46,723	81,325
Overheads	224,679	1,593,975
Bank charges	29,791	38,407
	<u>1,709,144</u>	<u>3,266,793</u>

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14. INCOME FROM COPYRIGHT FEES AND HOLOGRAMS

	30-Jun-21 Rs	30-Jun-20 Rs Restated
Total collections during the year:		
Copyright fees	9,585,421	30,277,899
Hologram	487,276	378,286
Contribution to Provident Fund (7%)	(638,269)	(1,320,457)
Distributable to artists:		
Copyright fees	(5,788,792)	(11,898,471)
Hologram	(345,496)	(264,089)
	<u>3,300,140</u>	<u>17,173,168</u>
MASA share:		
Copyright fees	3,158,360	17,058,971
Hologram	141,780	114,197
Total	<u>3,300,140</u>	<u>17,173,168</u>

15. RELATED PARTY TRANSACTION

The Society is making the following disclosures in respect of related party transactions:

	30-Jun-2021 Rs	30-Jun-2020 Rs
Remuneration		
Chairman and Board Member Fees	412,351	508,860

16. CAPITAL COMMITMENT

The Society did not have any capital commitment as at 30 June 2021.

17. CONTINGENT ASSET OR LIABILITY

The Society did not have any contingent asset or liability as at 30 June 2021.

18. EVENT AFTER REPORTING DATE

Following the publication of the Pay Research Bureau (PRB) Report 2021 dated 19 October 2021, providing for revised salary effective as from January 2021, employee costs and benefits have been adjusted for the period 01 January 2021 to 30 June 2021 based on new PRB 2021 salary scale. There were no other events after the reporting date requiring adjustments to the Society's financial statements for the year ended 30 June 2021.

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19. RESTATEMENT

In order to comply with IPSAS, comparative figures for year ended 30 June 2020 have been restated to make adjustment for prior years. Additionally, there has been adjustment to correct for prior year errors.

The effect of the restatement on the financial statements is as follows:

Effect of Restatement on Statement of Financial Position:

	Note	30 June 2020 (Rs)	30 June 2020 Restated (Rs)	Increase/ (Decrease) (Rs)
Cash and Cash equivalent	5	109,549,995	109,344,816	(205,179)
Receivables from exchange transactions	6	23,318,183	23,047,579	(270,604)
General Fund		(5,885,306)	(25,670,864)	(19,785,558)
Provident and Social Welfare Fund		15,246,573	15,047,773	(198,800)
Payables	11	122,322,908	124,322,908	2,000,000
Employee Benefit	10	11,777,363	30,243,947	18,466,584

Effect of Restatement on Statement of Financial Performance:

	Note	30 June 2020 (Rs)	30 June 2020 Restated (Rs)	Increase/ (Decrease) (Rs)
Copyright fees		17,867,796	17,058,971	808,825
Subscription fees		135,550	551,800	(416,250)
Employee costs	12	10,494,415	11,666,312	1,171,897
Surplus/(Deficit) for the year		12,678,024	11,113,551	(1,564,473)

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19. RESTATEMENT (CONTINUED)

The effect of the restatement on the financial statements is as follows:

Effect of Restatement on Accumulated Fund:

	Note	30 June 2020 (Rs)	30 June 2020 Restated (Rs)	Increase/(Decrease) (Rs)
Opening balance		(18,563,330)	(18,563,330)	-
Surplus/(Deficit) for the year		12,678,024	11,113,551	(1,564,473)
Overprovision of passage benefits		-	501,646	501,646
Subscription receivables		-	1,079,981	1,079,981
Advance received treated as income		-	(2,000,000)	(2,000,000)
Provident fund		-	(6,379)	(6,379)
Remeasurement of defined benefit		-	(17,796,333)	(17,796,333)
Closing balance		(5,885,306)	(25,670,864)	(19,785,558)

Effect of Restatement on Provident and Social Welfare Fund:

	Note	30 June 2020 (Rs)	30 June 2020 Restated (Rs)	Increase/(Decrease) (Rs)
Opening balance		16,686,116	16,686,116	-
Adjustment		-	(198,800)	(198,800)
Contribution received during the year		1,320,457	1,320,457	-
Payments made during the year		(2,760,000)	(2,760,000)	-
Closing balance		15,246,573	15,047,773	(198,800)

