REPORT OF THE

DIRECTOR OF AUDIT

On the Financial Statements
of the Mauritius Society of Authors
for the period ended 30 June 2022

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 2022 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 2022, 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 14,425,702

The item included unsupported receivables totalling 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 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.

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- *Related Party Transactions and Events after Reporting Date*

Remuneration of Key Management Personnel, and details regarding the court case relating to 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 was 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 2022, was submitted on 7 August 2024, that is, some 21 months after the statutory deadline.

- ***The Council 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, copyright fees payable by the public broadcaster, public and private radios, and holders of Subscription Television Broadcasting licences, as well as the fee payable by mobile network operators on caller tunes and similar services. The implementation of the regulations was not finalised as of September 2025. Significant revenue that was likely to 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: 2021-2022

MESSAGE DU PRESIDENT

Alors que nous réfléchissons à l'année écoulée, nous souhaitons partager avec vous les priorités et les défis qui ont façonné la trajectoire de la MASA. Malgré les défis sans précédent posés par la pandémie, nous restons déterminés à favoriser la croissance et le bien-être de nos membres.

L'une de nos principales priorités a été la nomination d'un directeur temporaire pour diriger les opérations de la MASA. Ce rôle essentiel nous aidera à guider notre organisation à travers ces temps difficiles, garantissant que nous pouvons continuer à soutenir efficacement nos membres.

Nous comprenons l'importance de garantir que les redevances parviennent rapidement et équitablement à nos titulaires de droits locaux et étrangers. Nos efforts dévoués se concentreront sur l'amélioration de la transparence et de l'exactitude de nos processus de distribution. Le paiement des arrérages demeure une priorité aussi.

« MASA Provident and Benevolent Fund » a été une pierre de notre système de soutien à nos membres. Nous nous engageons à réactiver le dispositif « MASA Artists Solidarity Scheme » pour apporter un soutien financier aux membres atteignant l'âge de la retraite.

Une communication efficace est vitale, surtout dans des moments comme ceux-ci. Pour améliorer notre interaction avec les affiliés et les membres, nous travaillons au lancement d'un site-web qui servira de plate-forme centrale pour les mises à jour, les ressources et les informations. Cela favorisera une meilleure transparence et un meilleur engagement.

Nous apprécions la participation et les voix de nos membres. Pour garantir une représentation et une prise de décision démocratiques, nous prévoyons de tenir notre assemblée générale annuelle et les élections des membres au conseil d'administration.

La pandémie actuelle a eu un impact significatif sur notre stabilité financière, mais nous gardons espoir qu'avec la récente promulgation des « Copyright (Fees) Regulations » nous assisterons à des changements positifs.

Gérard Daniel Louis, O.S.K
Président du conseil d'administration

CORPORATE PROFILE

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

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 a Director 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: 1
Accountant: Vacant
Financial Operations Officer: 1
Membership & Repertoire Officer: Vacant
Senior Officer (MASA): 4
Management Support Officer (MASA):9
Receptionist/Telephonist: 1
Driver/Office Attendant: 1
Office Attendant: 2

ACTIVITIES AND ACHIEVEMENTS

DISTRIBUTION EXERCISES

December 2021

Net sum approved by the Board on 18 November 2021 for local and international copyright owners: Rs 45,292,086.18.

Methodology: Sampling method of best 200 songs for local repertoire and 1/51 for foreign repertoire based on log sheets provided by MBC Radio.

Categories:

- Recorded Music (2010 to 2019)
- Broadcasting MBC Radio (2018)
- Mechanical Rights (Mauritius) (January to August 2021)

April /May 2022

- Recorded Music (2020)
- Broadcasting MBC Radio Mauritius (2017)
- Broadcasting MBC Radio Rodrigues (2017)
- Broadcasting MBC Radio Rodrigues (2016)
- Occasional Licenses Arrears (2019)
- Hotel Constance Prince Maurice Live& Recorded Arrears (2019/2020)
- Advertising (Radio) (2015-2021)
- Mechanical Rights Mauritius (Sept-Dec 2021)
- Mechanical Rights Rodrigues (Jan-Aug 2021)
- Mechanical Rights Rodrigues (Sept-Dec 2021)

Membership

Musical

This category pertains to creators such as authors, composers and musical arrangers. According to the Statutes, "Member" means a person or legal entity satisfying the criteria for membership whose work is exploited and generates economic rights exceeding rupees 50,000. "Associate member" means a person who is a copyright owner in respect of a work satisfying the criteria for membership but who has deposited a work which had not yet generated economic rights up to rupees 50,000.

Number of members: 323
Number of associate-members: 3837

Literary

Creators such as book writers and poems or similar creations are registered under this category.

Number of members: 41
Number of associate-members: 666

Other-works

Creators in the field of visual arts, photography, softwares, amongst others, are registered under this category.

Number of members: 29
Number of associate-members: 597

Audio-visual and Theatrical

Creators in the field on audio-visual works and *gens de scène,* are registered under this category.

Number of members: 25

Publisher

A publisher is defined in the membership rules as a person or a company whose business is making works available to the public in Mauritius.

Number of members: 17
Number of associate-members: 155

Promotion from associate-member to member: 69 (Musical)

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, Copyrights Act, Statutory Bodies (Accounts and Audit) Act and other statutory requirements.

GOVERNANCE STRUCTURE

RESPONSIBILITY OF THE BOARD

According to section 43 of the Copyright Act, MASA shall be managed and administered by a Board and shall have its own seal.

In accordance with section 14 of MASA Statutes, the Board shall be responsible for admitting and removing of members as well as fixing the minimum amount of royalties for the admission of members, taking decisions concerning the distribution rules, dealing with all appeals lodged by members against any decision of the Director, preparing and convening meetings of the Annual General Assembly and Extraordinary meetings, preparing and presenting of annual reports, preparing and presenting of financial statements, supervising the conduct of business of the Society, setting up of Committees, sub-Committees, *ad-hoc* Committees and technical Committees for the purpose of dealing with specific matters, designation of persons authorised to sign on behalf of the Society as stipulated under the Copyright Act, appointing the Director and, unless otherwise stipulated, fixing his salaries and other conditions of service, appointing the legal advisors and fixing fees to be paid and other conditions of appointment, and appointing such staff under such conditions as may be necessary for the proper discharge of the functions and duties under the Act.

COMPOSITION OF THE BOARD

Chairperson	G. D. Louis OSK
Representative of Ministry of Arts and Cultural Heritage	Mr. V. N. Boodhun (Firm) Ms U. Sohar (Alternate) (Up to December 2021) Mrs. F. Chamroo-Jadoo (Alternate) (As from January 2022)
Representative of Attorney General's Office	Mr. P. Balluck (up to June 2022) Mr. H. Adeen
Representative of the Ministry responsible for the subject of finance	Mrs. N. B. A-Suhootoorah (Up to November 2021) Mrs. V. D. Appadoo (From November 2021 to February 2022) Mr. D. Davasgaium (as from February 2022)
Representative of the Ministry responsible for the subject of industry	Mr. J. D. P. Labonne (Up to March 2022) Mr. B. A. Seedoyal
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 (Firm) Mr. R. Conhye (Alternate)
Representative of the Industrial Property Office	Mrs. D. Takoory

Appointed Member	Mr. M. Taucoory
Elected Members	Elections were scheduled on 10 July 2022

No. of Board meetings: **9.**

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 in May 2021, 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.

COMPOSITION OF COMMITTEES

In accordance with section 45 of the Copyright Act, the Board may set up such Committees as it may determine to assist it in the discharge of its functions and the exercise of its powers. The Chairperson of the Board does not act as Chairperson of any of the Committees.

***Adhoc*(Finance) Committee** No. of meeting : **2**	***As of August 2021*** Mrs. N. B. A-Suhootoorah (Chairperson) Mr. V. N. Boodhun – Member Mr. J. D. P. Labonne – Member ***As of March 2022*** Mr. D. Davasgaium (Chairperson) Mr. V. N. Boodhun – Member Mrs. D. Takoory - Member Mr. M. Taucoory – Member
MASA Artists Solidarity Scheme Sub-Committee No. of meeting: **1**	Mr. D. Davasgaium (Chairperson) Mr. V. N. Boodhun – Member Mr. M. Taucoory – Member

GENERAL ASSEMBLY

In line with section 9.7 of the Statutes, the Assembly shall have the powers to elect members of the Board in accordance with the Copyright Act, approve the accounts, ratifying the allocation of funds disbursed in favour of members for their social welfare, for cultural promotion, for provision to the Provident and benevolent Funds, decide upon the administration of other rights and works, change, modify and amend the Statutes and to deal with any cognate matters put before it by the Board.
It was not possible to hold any general meeting during the financial period due to the sanitary restrictions following the outbreak of COVID-19 pandemic.

CONFLICT OF INTEREST

Board members and officers are encouraged to always disclose actual or perceived conflicts of interests so that the Board can function properly and objectively in the best interest of the Society. Board members and officers should, in good faith, disclose any business or other interests that are likely to create a situation of conflict of interest.

The Chairperson, the Director and Mr. M. Taucoory, Board member, have disclosed their interests with regards to the Distribution exercise of December 2021. The Chairperson and Mr. M. Taucoory have also disclosed their interests for the Distribution exercise of May 2022.

APPOINTMENT OF DIRECTOR

According to section 44 of the Copyright Act, the Board shall appoint on such terms and conditions as appropriate a Director who shall be responsible for the day-to-day management of the Society, execute the policy of the Board; and to act in accordance with such directions received from the Board. The substantive holder of the post of Director is interdicted since June 2011 pending determination of a criminal case. As of September 2021, the Board has appointed Mr. Michael Lyndon Veeraragoo as Director on a one-year contract following a proposal made by Government.

SECRETARY TO THE BOARD

Pursuant to section 44 of the Copyright Act and section 14.5 of the Statutes, a Secretary to the Board shall be appointed by the Board on such terms, remuneration and condition as it may think fit. The Secretary shall for every meeting of the Board, give notice of the meeting to members and keep minutes of proceedings of every meeting; and carry out such other duties as the Board may assign to him.

A Senior Officer of MASA is presently assigned the duties of Secretary to the Board following an internal selection exercise held in February 2021. A sum of Rs 8,000 was approved by the Board for this assignment since year 2013.

REMUNERATION AND COMPENSATION

The Pay Research Bureau (PRB) is an Independent Institution, mandated by the Government to carry out periodic reviews on Pay and Grading Structures and Conditions of Service in the Public Sector. The salaries of the Director and officers of the Society are determined and regulated by the Pay Research Bureau (PRB) and each grade has its own salaries scales.

The Pay Research Bureau is also responsible of setting the fees structure for the Chairperson and members of the Board and Committees.

The Chairperson of the Board is paid a monthly fee, as provided by the PRB, currently linked to the salary of the Director at the rate of Rs 29,925.

Each Board and Committee member of the Society is paid, as recommended by the PRB a fee of Rs 890 and Rs 815 per sitting, respectively. The Chairperson and members of the Board travelling by car to and from the place of meeting are paid, as recommended by the PRB, a computed travelling allowance of 230 per sitting.

RISK MANAGEMENT

The Board has 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 will being sought to report on matters such as reliability of system and records, control of assets and detection and prevention of malpractices

PROCUREMENT PROCEDURES

The key objectives of the public procurement system are to achieve efficiency and effectiveness in the procurement process to deliver value for money following ethical principles. The achievement of these objectives is based on the procurement structure put in place by the Society to enable a transparent decision-making process. Such structure, while retaining its salient principles, can be adapted to meet the nature and value of the procurement expenditure and the varying size of an organisation.

Procurement Methods

The procurement method adopted may vary according to the nature of the expenditures, its size, the requirement, the circumstances, and the items availability in the market. The following methods are adopted by the Society: direct purchase; request for quotation, direct contracting; and restricted bidding.

Request for Quotation /Informal Quotation

Informal Quotation consists of comparing quotations from not less than three suppliers and subject to ready availability. This method is suitable and reasonable for readily available off-the-shelf goods and commodities, and where smaller value items are needed or urgently needed for follow-up order on repetitive procurement. This method may also be used for procurement of works and services.

Restricted Bidding

Restricted Bidding is reserved for the purchase of items over and above a threshold of Rs 100,000 where the nature of the expenditure is very complex and is normally accompanied with a high purchasing risk and has high strategic importance for the Society.

REPORTING WITH INTEGRITY

Section 48 (1) of the Copyright Act provides that the Director shall, in accordance with the Statutory Bodies (Accounts and Audit) Act, prepare, in respect of every financial year, an annual report and submit it to the Board for approval, together with an audited statement of accounts on the operations of the Society.

The report aims to inform members and other stakeholders including Government about the financial, non-financial and operating performances.

AUDIT

Section 48 (2) of the Copyright Act provides that the auditor to be appointed under section 5(1) of the Statutory Bodies (Accounts and Audit) Act shall be the Director of Audit.

COMMUNICATION WITH STAKEHOLDERS

A website is being developed with the aim to maintain communication with stakeholders. The other means of communication are: face-to-face meetings, e-meetings, letters, e-mails, phone conversations, amongst others. The major stakeholders of the Society are Government, copyright owners, sister-societies, foreign organisations, music users, trade-union of employees, amongst others.

MEMBERSHIP WITH CISAC

Following the approval by CISAC Board on 31 May 2022, CISAC AGM held on 02 June 2022 has adopted the recommendation to extend MASA's Provisional membership by a further probation period of two years.

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 2022.

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 2022

	Notes	30-Jun-22 Rs	30-Jun-21 Rs
ASSETS			
Current Assets			
Cash and Cash equivalent	5	87,570,445	97,714,432
Receivable from exchange transactions	6(a)	14,425,702	12,677,792
Receivable from non-exchange transactions	6(b)	10,500,000	10,500,000
Loans and Advances	7	958,009	958,009
Inventory	8	57,404	64,073
Total current assets		113,511,560	121,914,306
Non-Current Assets			
Property, Plant and Equipment	9	10,886,163	11,563,527
TOTAL ASSETS		**124,397,723**	**133,477,833**
LIABILITIES			
Current Liabilities			
Employee Benefits	10	1,199,320	981,128
Trade and other payables	11	104,805,858	118,276,334
Total current liabilities		106,005,178	119,257,462
Non-Current Liabilities			
Employee Benefits	10	30,920,764	26,180,968
Total Liabilities		136,925,942	145,438,430
NET ASSETS		**(12,528,219)**	**(11,960,597)**
NET ASSETS/EQUITY			
Provident & Social Welfare Fund		13,487,716	13,372,526
Accumulated Fund		(26,015,935)	(25,333,123)
TOTAL NET ASSETS/EQUITY		**(12,528,219)**	**(11,960,597)**

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 37 form an integral part of these financial statements

MAURITIUS SOCIETY OF AUTHORS

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2022

	Notes	30-Jun-22 Rs	30-Jun-21 Rs
REVENUE			
Revenue from non-exchange transactions:			
Grant from Government		12,460,368	5,017,396
Other income		963,683	913,029
		13,424,051	**5,930,425**
Revenue from exchange transactions:			
Income from Copyright fees and holograms	**14**	6,529,187	3,300,140
Subscription fees		199,149	217,500
		6,728,336	**3,517,640**
TOTAL REVENUE		**20,152,387**	**9,448,065**
EXPENDITURE			
Employee costs	**12**	14,526,501	11,767,446
Operating Expenses	**13**	2,335,098	1,709,144
Depreciation expense	**9**	735,304	557,328
		17,596,903	**14,033,918**
Surplus/(Deficit) for the Year		**2,555,484**	**(4,585,853)**

MAURITIUS SOCIETY OF AUTHORS

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

	Provident and Social Welfare Fund Rs	Accumulated Fund Rs	Total Rs
Opening balance 01 July 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)**
Contribution received during the year	821,540	-	821,540
Payments made during the year	(706,350)	-	(706,350)
Surplus for the year	-	2,555,484	2,555,484
Re-measurements of defined benefit liability/(asset)	-	(3,238,296)	(3,238,296)
Closing balance 30 June 2022	**13,487,716**	**(26,015,935)**	**(12,528,219)**

MAURITIUS SOCIETY OF AUTHORS

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2022

	30 June 2022	30 June 2021
	Rs	Rs
Cash flow from operating activities		
Receipts		
Other receipts	26,143,323	15,421,097
Payments		
Compensation of employees	(13,770,812)	(9,074,420)
Supplies and consumables used	(1,396,816)	(702,614)
Other payments	(21,176,932)	(13,945,412)
Net Cash flows from operating activities	**(10,201,237)**	**(8,301,349)**
Cash flows from investing activities		
Cash Payment to acquire Fixed Assets	(57,940)	(1,653,788)
Net Cash flows from investing activities	**(57,940)**	**(1,653,788)**
Cash flows from financing activities		
Contribution to social welfare & Provident fund	821,540	638,269
Payment from Social welfare and Provident Fund	(706,350)	(2,313,516)
Net Cash flows from financing activities	**115,190**	**(1,675,247)**
Net decrease in cash and cash equivalent	**(10,143,987)**	**(11,630,384)**
Cash and cash equivalents at beginning of year	97,714,432	109,344,816
Cash and cash equivalents at end of year	**87,570,445**	**97,714,432**

Note to the Cash Flow Statement

1. Cash and cash equivalents consist of balances held with banks.
2. Cash payments of Rs 57,940 were made to purchase plant and equipment during the year.
3. Reconciliation of Net Cash Flows from Operating Activities to Surplus/ (Deficit):

		30 June 2022	30 June 2021
		Rs	Rs
Surplus/(Deficit) for the year		2,555,484	(4,585,853)
Non-Cash movements			
Depreciation		735,304	557,328
(Decrease)/Increase in payables		(13,470,476)	(6,046,574)
Decrease/(Increase) in inventory		6,669	62,220
Decrease/(Increase) in Receivables		(1,747,910)	(130,213)
Increase in Employee Benefit Payables		1,719,692	1,841,743
Net cash flows from operating activities		**(10,201,237)**	**(8,301,349)**

MAURITIUS SOCIETY OF AUTHORS

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022

	Original Estimates	Revised Estimates*	Actual Amount	Difference
	Rs	Rs	Rs	Rs
RECURRENT BUDGET				
Recurrent Revenue				
Grant	12,140,000	12,140,000	12,460,368	320,368
Other revenue	4,585,758	4,585,758	13,682,955	9,097,197
Total Recurrent revenue	**16,725,758**	**16,725,758**	**26,143,323**	**9,417,565**
Recurrent Expenditure				
Compensation of employees	12,708,928	12,708,928	13,770,812	1,061,884
Purchase of Goods and Services	4,016,743	4,016,743	1,396,816	(2,619,927)
Other payments	2,115,000	2,115,000	21,176,932	19,061,932
Total Recurrent expenditure	**18,840,671**	**18,840,671**	**36,344,560**	**17,503,889**
Recurrent Balance	**(2,114,913)**	**(2,114,913)**	**(10,201,237)**	**(8,086,324)**
CAPITAL BUDGET				
Capital Expenditure				
Acquisition of Non-Financial Assets	4,356,000	4,356,000	57,940	(4,298,060)
Transfer to Social and welfare provident fund			115,190	115,190
Capital Balance	**4,356,000**	**4,356,000**	**(57,250)**	**(4,182,870)**
Budget Balance (Before Net Acquisition of Financial Assets)	**(6,470,913)**	**(6,470,913)**	**(10,143,987)**	**(3,903,454)**
Net balance	**(6,470,913)**	**(6,470,913)**	**(10,143,987)**	**(3,903,454)**

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

Notes to the Statement of Comparison of Budget and Actual Amounts

1. Given that the Society's could not carry out its normal activities properly in FY 20/21 due to Covid 19 lockdown, most of the activities and collections were effected during FY 21/22 when the operation of the Society came back to normal. This explains the significant increase in actual revenue and 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 2021 to 30 June 2022. The original budget was approved by the board of the Society in March 2021.

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 2022

Revenue	**Rs**
Actual amount on comparable basis as presented in the Budget and Actual Comparable Statement	**26,143,323**
Basis Difference	
Opening Accruals/Receivables	(24,135,801)
Closing Accruals/Receivables	25,883,711
Set-off against payables	9,940
Distribution to artist	(7,748,786)
Actual amount on the Statement of Financial Performance	**20,152,387**

Expenditure	**Rs**
Actual amount on comparable basis as presented in the Budget and Actual Comparable Statement	**36,344,560**
Basis Difference	
Opening Accruals/Payables	(145,438,430)
Closing Accruals/Payables	136,925,942
Set-off against receivables	9,940
Opening inventory	64,073
Closing inventory	(57,404)
Distribution	(7,748,786)
Re-measurements of defined benefit liability/(asset)	(3,238,296)
Depreciation and Amortisation	735,304
Actual amount on the Statement of Financial Performance	**17,596,903**

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 Avenue des Artistes, Beau-Bassin.

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 2022.

(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 2021 to 30 June 2022. The original budget was approved by the Board of the Society in March 2021.

- 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. The financial statements of the Society for year ended 30 June 2021 fully complies with IPSAS.

2. ACCOUNTING POLICIES

2.1 Basis of Reporting (Continued)

(f) **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.

(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.

2. ACCOUNTING POLICIES

2.2 Significant accounting policies (continued)

(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.

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.

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.

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.

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 2022				
Payables	43,284	430,970	-	104,341,544
Employee Benefits	-	-	2,018	-
Total	**43,284**	**430,970**	**2,018**	**104,341,544**

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 2021				
Payables	-	1,520,650	-	116,755,684
Employee Benefits	-	-	4,993	-
Total	-	**1,520,650**	**4,993**	**116,755,684**

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.

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-22 Rs	30-Jun-21 Rs
5.	**CASH AND CASH EQUIVALENTS**		
	Cash at bank	87,563,180	97,707,843
	Petty Cash	7,265	6,589
	Closing balance	**87,570,445**	**97,714,432**

		30-Jun-22 Rs	30-Jun-21 Rs
6(a).	**RECEIVABLES FROM EXCHANGE TRANSACTIONS**		
	Copyright fees and Holograms	**14,425,702**	**12,677,792**

		30-Jun-22 Rs	30-Jun-21 Rs
6(b).	**RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS**		
	Grant from Government	**10,500,000**	**10,500,000**

		30-Jun-22 Rs	30-Jun-21 Rs
7.	**LOANS AND ADVANCES**		
	Loans and Advances from Artists	**958,009**	**958,009**

		30-Jun-22 Rs	30-Jun-21 Rs
8.	**INVENTORY**		
	At 01 July	64,073	126,293
	Movement	(6,669)	(62,220)
	At 30 June	**57,404**	**64,073**

9. PROPERTY, PLANT AND EQUIPMENT

	Land	Building	Repertoire	Motor vehicle	Repertoire de la presse	Renovation Works	Office Equipment & Website	Office Furniture	Computer Equipment	Total
COST	(Rs)	(Rs)	(Rs)	(Rs)	(Rs)	(Rs)	(Rs)	(Rs)	(Rs)	(Rs)
Balance as at 01 July 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**
Additions during the year	-	-	-	-	-	57,940	-	-	-	57,940
Balance as at 30 June 2022	**1,513,409**	**4,439,330**	**390,000**	**805,000**	**140,000**	**6,687,033**	**2,627,427**	**1,742,103**	**2,666,335**	**21,010,637**
DEPRECIATION										
Balance as at 1 July 2021	-	**1,287,407**	-	**805,000**	**140,000**	**1,735,381**	**2,606,510**	**1,738,131**	**1,076,741**	**9,389,170**
Charge for the year	-	88,787	-	-	-	133,333	6,768	548	505,868	735,304
Balance as at 30 June 2022	-	**1,376,194**	-	**805,000**	**140,000**	**1,868,714**	**2,613,278**	**1,738,679**	**1,582,609**	**10,124,474**
Net Book Value as at 30 June 2022	**1,513,409**	**3,063,136**	**390,000**	-	-	**4,818,319**	**14,149**	**3,424**	**1,083,726**	**10,886,163**
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

10. EMPLOYEE BENEFITS

	30-Jun-22	30-Jun-21
	Rs	Rs
Classified under Current Liabilities		
Sick leaves obligations	2,018	4,993
Vacation leaves obligations	-	-
Passage benefit obligations	1,197,302	976,135
	1,199,320	**981,128**
Classified under Non- current liabilities		
Retirement benefit obligations	24,767,730	20,297,082
Sick leaves obligations	3,086,947	3,048,989
Vacation leaves obligations	3,066,087	2,834,897
	30,920,764	**26,180,968**
Total	**32,120,084**	**27,162,096**

Provision for retirement benefits for the Union'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 2022	30 June 2021
	Rs	Rs
(i) Amounts recognised in Statement of Financial Position:		
Defined benefit obligation	28,426,413	23,566,475
Fair value of plan assets	(3,658,683)	(3,269,393)
Liability recognised in Statement of Financial Position	**24,767,730**	**20,297,082**
(ii) Amounts recognised in Statement of Financial Performance:		
Current service cost	1,283,168	1,090,365
Employee Contributions	(416,571)	(231,315)
Fund Expenses	63,579	91,568
Net Interest expense/ (income)	1,065,891	893,704
Profit & Loss Charge	**1,996,067**	**1,844,322**
(iii) Remeasurement		
Liability (gain) / Loss	3,724,777	(4,890,699)
Assets (gain) / Loss	(486,481)	(32,895)
Net Assets/Equity	**3,238,296**	**(4,923,594)**

	30 June 2022	30 June 2021
	Rs	Rs
(iv) Movements in Liability recognised in the Statement of Financial Position:		
At start of year	20,297,082	23,800,431
Amount recognised in Profit & Loss	1,996,067	1,844,322
Contributions paid by employer	(763,715)	(424,077)
Amount recognised in Net Asset/ equity	(3,238,296)	(4,923,594)
At end of year	**24,767,730**	**20,297,082**
(v) Reconciliation of present value of obligation:		
Present value of obligation at start of period	23,566,475	27,144,799
Current service cost	1,283,168	1,090,365
Interest cost	1,235,242	1,016,409
(Benefits paid)	(1,383,249)	(794,399)
Liability (gain)/ loss	3,724,777	(4,890,699)
Present value of obligation at end of period	**28,426,413**	**23,566,475**
(vi) Reconciliation of fair value of plan assets:		
Fair value of plan assets at start of period	3,269,393	3,344,368
Expected return on plan assets	169,351	122,705
Employer contributions	763,715	424,077
Employee contributions	416,571	231,315
Benefits paid + other outgo	(1,446,828)	(885,967)
Asset gain/(loss)	486,481	32,895
Fair value of plan assets at end of period	**3,658,683**	**3,269,393**
(vii) Distribution of plan assets at end of period were:		
Percentage of assets at end of year		
Fixed-interest securities and cash	58.0%	54.8%
Loans	2.9%	2.8%
Local equities	13.6%	11.8%
Overseas bonds and equities	25.0%	30.1%
Property	0.5%	0.5%
Total	**100%**	**100%**
(viii) Additional disclosure on assets issued or used by the reporting entity:		
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	-	-
(ix) Components of the amount recognised in Net Assets/Equity:		
Asset experience gain/(loss) during the period	486,481	32,895
Liability experience gain/(loss) during the period	(3,724,777)	4,890,699
	(3,238,296)	**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 2022	**30 June 2021**
Discount rate	5.40%	5.40%
Future salary increases	3.50%	3.00%
Future pension increases	2.50%	2.00%
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.

		30-Jun-22	30-Jun-21
		Rs	Rs
11.	**PAYABLES**		
	Undistributed copyright rights	102,331,604	114,755,684
	Advance from Ministry of Arts	2,000,000	2,000,000
	VAT payable	43,284	(6,639)
	Accruals and Supply creditors	430,970	1,527,289
	Closing balance	**104,805,858**	**118,276,334**

		30-Jun-22	30-Jun-21
12.	**EMPLOYEE COSTS**	Rs	Rs
	Salaries, bonuses & allowances	9,081,373	7,649,925
	Travelling and Transport	554,390	417,685
	Pension Contribution and FPS	3,129,573	2,517,438
	National Savings Fund	614,905	387,651
	Staff Welfare and other benefits	7,225	33,498
	Passage Benefit	285,758	352,074
	Sick leaves	622,087	122,002
	Vacation leaves	231,190	287,173
		14,526,501	**11,767,446**

		30-Jun-22	30-Jun-21
		Rs	Rs
13.	**OPERATING EXPENSES**		
	Legal and Professional Fees	373,484	166,793
	Chairman and Board Member fees	491,384	412,351
	Rent	153,204	71,814
	Office expenses	52,761	42,325
	Telephone and fax	189,090	273,047
	Electricity and Water	270,462	102,477
	Repairs and maintenance	330,500	62,354
	Printing and Stationery	215,687	139,700
	Car running expenses	-	-
	Overseas mission	-	-
	Holograms and stamps	6,668	62,220
	Security	21,335	19,500
	Advertising	-	55,370
	Hired Transport	11,800	46,723
	Overheads	158,474	224,679
	Bank charges	60,249	29,791
		2,335,098	**1,709,144**

14. INCOME FROM COPYRIGHT FEES AND HOLOGRAMS

	30-Jun-22	30-Jun-21
	Rs	Rs
Total collections during the year:		
Copyright fees	14,734,737	9,585,421
Hologram	364,776	487,276
Contribution to Provident Fund (7%)	(821,540)	(638,269)
Distributable to artists:		
Copyright fees	(7,478,629)	(5,788,792)
Hologram	(270,157)	(345,496)
	6,529,187	3,300,140
MASA share:		
Copyright fees	6,434,568	3,158,360
Hologram	94,619	141,780
Total	**6,529,187**	**3,300,140**

15. RELATED PARTY TRANSACTION

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

	30-Jun-2022	30-Jun-2021
	Rs	Rs
Remuneration		
Chairman and Board Member Fees	491,384	412,351

16. CAPITAL COMMITMENT

The Society did not have any capital commitment as at 30 June 2022.

17. CONTINGENT ASSET OR LIABILITY

The Society did not have any contingent asset or liability as at 30 June 2022.

18. EVENT AFTER REPORTING DATE

There were no other events after the reporting date requiring adjustments to the Society's financial statements for the year ended 30 June 2022.