

**THE MAURITIUS INSTITUTE
OF PROFESSIONAL ACCOUNTANTS**

ANNUAL REPORT

FOR THE YEAR ENDED

30 JUNE 2019

THE MAURITIUS INSTITUTE OF PROFESSIONAL ACCOUNTANTS

**ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

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THE MAURITIUS INSTITUTE OF PROFESSIONAL ACCOUNTANTS

REPORT OF THE CHAIRPERSON

On behalf of the Board Members of the Mauritius Institute of Professional Accountants (MIPA), it is my privilege to present the Annual Report and Financial Statements for the year ended 30 June 2019.

2018/2019 was a year of achievements for the Institute as we witnessed the realisation of the objectives set for the year and the positive outcome of certain bold measures taken by the Board and Management of MIPA.

Achievements

Implementation of Small and Medium Practices Committee

MIPA has reaffirmed its commitment to support the Small and Medium Practices (SMPs) for the key role they play in the SME sector. The SMP Committee is functional since May 2019; it represents the 'voice' of SMPs in the Profession and will advocate for initiatives for the development of SMPs and to support them in adopting international leading practices, tools and technologies. MIPA has also signed an MOU with the leading audit solutions provider Caseware Africa in May 2019; this partnership offers financial and non-financial incentives to encourage adoption of technology amongst our member firms.

Implementation of Professional Education Committee

On learning and education side, I am pleased to report that the Professional Education Committee was constituted in May 2019 and is currently tasked with two priority projects for the Profession. First, the setting up of a structure within MIPA so that the Institute can independently evaluate qualifications and competencies of applicants to be registered as Public Accountants and second, the introduction of local tax and company law examinations for admission to MIPA membership.

Members' Professional Development

To support members in their professional development in a systematic and coherent manner, MIPA is providing a wide range of affordable and complimentary CPD courses, relevant to the needs for the Profession. Our landmark event for the year, the Annual Forum of Accountants, took place in September 2018 at Maritime Balaclava under the theme 'The Future of the Accounting Profession' and during which some 150 participants and speakers from several countries discussed on future opportunities and challenges for the Profession. In total, MIPA has organised 5 CPD and 2 extracurricular events during the year and which were attended by more than 800 members.

THE MAURITIUS INSTITUTE OF PROFESSIONAL ACCOUNTANTS

REPORT OF THE CHAIRPERSON

Fight against 'Rogue Accountants'

The fight against 'rogue accountants' is on-going and MIPA has engaged itself in a strong awareness campaign through media and meetings with relevant stakeholders, against the dangers of rogue accountants. Whilst still more effort is warranted to this cause, a positive impact of the measures taken till now is reflected in our membership base which has increased from 3037 to 3304.

Overview of the year

Financial results

Income

Subscription income has increased by Rs 4.7 million to reach Rs 9.6 million this year as a result of an increase in membership and membership fees.

Expenses

Operating expenses has increased by 97% on last year mainly due to PAFA subscription for the year which has increased due to an increase in MIPA's membership base; also, last year, MIPA was granted a discount by PAFA. Administrative expenses recorded an increase of 55% and reflects the costs associated with the new organisational structure of MIPA.

Surplus

The Institute has reported a surplus of Rs 3.4 million for the year.

Cash and cash equivalent

MIPA's cash position is Rs 11.8m (2018: Rs 7.7m). These funds will be utilised to finance MIPA projects.

Board & Personnel

In addition to prescribed meetings, the Board had to meet regularly for executive meetings to enhance MIPA's decision making and facilitate the operations.

Overseas mission

Month	Missions	Attendees
October	9eme Université de la profession Comptable de l'Océan Indien, Réunion	D. Nundloll
November	World Congress of Accountants, Australia	S. Newaj & B. Ramruttan
June	Africa Congress of Accountants, Morocco	N. Mohit & S. Newaj

THE MAURITIUS INSTITUTE OF PROFESSIONAL ACCOUNTANTS

REPORT OF THE CHAIRPERSON

Learning and development

Month	Learning & development activity	Participants
July	Workshop on ISQC 1	Members
September	Forum of Accountants - The Future of the Accounting Profession	Members
September	MIPA Annual General Assembly 2018	Members
April	Pre-Budget Round Table Discussions in collaboration with ACCA	Members
April	IFRS Update: IFRS 16 Leases	Members
June	Post Budget Forum in collaboration with ACCA	Members

Future Outlook

As together we take pride in our achievements, we are also aware of the challenges and opportunities awaiting the Profession in an era of disruption and change. New technologies, emerging industries, rising expectations on the Profession and our contribution to the United Nation's Sustainable Development Goals, will be some of the focus areas for the Institute in the forthcoming years.

To address those future challenges and take full benefit of the opportunities, MIPA will continue to consolidate its internal structures, streamline its operational processes and improve on its supervisory mechanism, in line with IFAC's Statement of Membership Obligations (SMOs) and ROSC recommendations. Projects under consideration in this direction are; review of MIPA's legal framework, introduction of local tax and company law examinations and implementation of practice reviews for non – audit services.

THE MAURITIUS INSTITUTE OF PROFESSIONAL ACCOUNTANTS

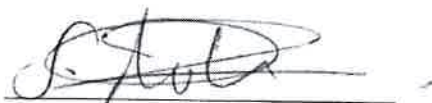
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REPORT OF THE CHAIRPERSON

Acknowledgement

I am completing my term as Chairperson this year and I am confident that the MIPA Board and Management, together with support from our members and our stakeholders, will continue to lead the Institute to become a world-class 'Future Ready' Professional Accountancy Organisation.

I gratefully acknowledge the commitment and support of the MIPA Board and Management, our members and key stakeholders, and dedicated volunteers and staffs, without which MIPA's accomplishments would not have been possible.



Nooredin Mohit
Chairperson

06 SEP 2019

THE MAURITIUS INSTITUTE OF PROFESSIONAL ACCOUNTANTS

REPORT OF THE BOARD

The MIPA Board has the pleasure in submitting its annual report together with the audited financial statements of MIPA for the financial year ended 30 June 2019.

PRINCIPAL ACTIVITY

The Financial Reporting Act 2004, proclaimed on 20 January 2005, has established inter-alia the Mauritius Institute of Professional Accountants (MIPA). The objects of the MIPA as per Section 45 of the Financial Reporting Act are as follows:

- Supervise and regulate the accountancy profession; and
- Promote the highest standards of professional and business conduct of, and enhance the quality of services offered by, professional accountants.

FINANCIAL RESULTS

The statement of profit or loss and other comprehensive income for the year ended 30 June 2019 is shown on page 11. MIPA's surplus for the year ended 30 June 2019 amounted to **Rs 3,419,716** (2018: surplus Rs 1,010,684).

BOARD MEMBERS

MIPA is self-monitored by the profession in a transparent manner through its Board which consists of seven members of the professional accountancy bodies specified in the Act and elected by general assembly.

The Board was constituted on 25 September 2018 as follows:

Name	Position	Board Meeting Attendance
Mr. Nooredin Mohit	Chairperson	13/13
Mr. Priyaved Jhugroo	1 st Vice-Chairperson	11/13
Mr. Dwarka Sookhit	2 nd Vice-Chairperson	12/13
Mr. Sin Chong Li	Treasurer	11/13
Mr. Bheem Ramruttan	Secretary	9/13
Mr. Donald Li Fook	Board Member	10/13
Mr. Nundloll Deochand	Board Member	12/13

THE MAURITIUS INSTITUTE OF PROFESSIONAL ACCOUNTANTS**REPORT OF THE BOARD (CONTINUED)****STATEMENT OF BOARD MEMBERS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

Section 61 of the Financial Reporting Act 2004 requires MIPA to prepare financial statements for each financial year which give a true and fair view of the state of affairs and of the income and expenditure of the MIPA. In preparing those financial statements, the Board members are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether International Financial Reporting Standards (IFRS) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that MIPA will continue in business.

The Board members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the MIPA and to enable them to ensure that the financial statements comply with the Financial Reporting Act 2004 and International Financial Reporting Standards (IFRS).

They are also responsible for safeguarding the assets of the MIPA and hence for taking reasonable steps for the prevention and detection of fraud and any irregularities.

The Board members confirm that they have complied with the above requirements in preparing the financial statements for the year ended 30 June 2019.



Nooredin Mohit
Chairperson



Bheem Ramruttan
Secretary

Date: 06 SEP 2019

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PROFILE OF BOARD MEMBERS

Nooredin Mohit, Chairperson

Nooredin Mohit is the Chairman of MIPA and former Secretary of the MIPA Board. He is a Fellow of ACCA and licensed auditor by the Financial Reporting Council in Mauritius. He counts more than 15 years experience in the accountancy profession, serving major corporations in Mauritius, Africa and Middle East. He is currently the CEO of Sahara Consulting specialising in accountancy and business advisory services. He is a member of the Financial Reporting Council.

Panna Jhugroo, 1st Vice-Chairperson

Panna Jhugroo is the immediate past chairman of MIPA and is a Fellow of the ICAEW. His career expands in audit, accounting, tax and advisory in the UK and in Mauritius. In 2007 he founded Lancasters Chartered Accountants which is a member of the Geneva Group International. He is the firm's Senior Partner and specialises in auditing, business valuation and internal audit. He has also worked in industry. Panna shares his knowledge and experience on various companies' and institutions' Boards of Directors and Advisory Boards as independent director. Panna has been a prominent member for the development of the profession in Mauritius. He was the President of the Mauritius Society of Chartered Accountants. He is the ICAEW contact member for Mauritius. He used to sit on the Financial Reporting Council and presently chairs its Audit Practice Review Panel.

Dwarka Harrish Soochit, 2nd Vice-Chairperson

Dwarka Harrish Soochit is a licensed Insolvency practitioner and holds the following professional qualifications: Fellow member of the Chartered Institute of Management Accountants (FCMA), Member of Chartered Global Management Accountant (CGMA), Fellow member of the Association of Chartered Certified Accountants (FCCA). He also has a Master's degree in Strategy and Organisation consulting from ESCP Europe.

Dwarka is the Managing Partner of Bit Associates, an accounting practice and member of Leading Edge Alliance since 1998. He has also worked as Finance Manager in the Manufacturing Industry for eleven years. During his career, he has widely contributed in the setting up of manufacturing companies, namely in Kenya, Mayotte and Reunion Island.

He has served the Chartered Institute of Management Accounting Branch as Secretary and President. He was a former Board Member of the CIMA South African Regional Board and Financial Reporting Council. He has also been the Secretary and is currently the 2nd Vice Chairman of Mauritius Institute of Professional Accountants.

THE MAURITIUS INSTITUTE OF PROFESSIONAL ACCOUNTANTS**PROFILE OF BOARD MEMBERS**

Sin Chong Li, Treasurer

Sin Chong Li has over 30 years of audit, tax, and project finance experience. After spending 26 years in the USA, he moved back to Mauritius in 2011 and now focuses on public accounting and management consulting. Previously, he has worked at various international firms, including the Big 4 and World Bank dealing with multinational corporations, venture capital funds and private equity firms. Sin is a U.S. CPA, CGMA, and member of the AICPA. He earned his bachelor's degree in Computer Science from the Lock Haven University of Pennsylvania and MBA from George Washington University. He also sits on the board of various NGOs.

Bheem Ramruttan, Secretary

Bheem Ramruttan is a Fellow of the ACCA and holds a Master in Finance from The University of Strathclyde. He started his career in practice and later moved to investment management. He was a Past President and Executive Committee Member of the ACCA Mauritius branch. Bheem was the Chief Executive Officer of MIPA for nearly six years. He acts as financial advisor to Praxis Mutual Management and Praxis Mutual PCC.

Donald Li Fook, Board Member

Donald Li Fook is a member of the Institute of Chartered Accountants of Scotland and a Partner in Transaction Advisory Services of Ernst & Young. Donald joined Ernst & Young in London in 2002, where he completed his traineeship and led audit assignments for listed FTSE 100 and FTSE 250 companies. He has worked in the UK, Australia and in the US, before returning to Mauritius in 2013. Today, he provides corporate finance services to clients in Mauritius, South Africa, Democratic Republic of Congo, Kenya, and Madagascar. He is a member of the Financial Reporting Council.

Deochand Nundloll, Board Member

Deochand Nundloll is a Fellow Member of Association of International Accountants (AIA) since 2005. He is a Member of MIPA since 2008. He has nearly 32 years' experience in Accounting, Auditing, Consultancy, Advisory and in Functional Management in various enterprises such as Accounting firms, Manufacturing, Hospitality and Business Process Outsourcing locally and internationally. He is currently Director of SERV PRO CONSULTANTS LTD providing Consultancy and Advisory services.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MAURITIUS INSTITUTE OF PROFESSIONAL ACCOUNTANTS

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **The Mauritius Institute of Professional Accountants** ("MIPA") on pages 11 to 29 which comprise the statement of financial position as at 30 June 2019 and the statement of profit or loss and other comprehensive income, the statement of movement in accumulated surplus and the statement of cash flows for the year then ended; and the notes comprising significant accounting policies and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of MIPA as at 30 June 2019 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the requirements of the Financial Reporting Act 2004.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of MIPA in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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

Other information

The board members are responsible for the other information. The other information comprises of the report of the chairperson and the board but does not include the financial statements and our auditors' report thereon.

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

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

Board Members' Responsibilities for the Financial Statements

The board members are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Financial Reporting Act 2004. They are also responsible for such internal control as they determine 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, they are responsible for assessing MIPA's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board members either intend to liquidate MIPA or to cease operations, or has no realistic alternative but to do so.

The board members are responsible for overseeing the MIPA's financial reporting process.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MAURITIUS INSTITUTE OF PROFESSIONAL ACCOUNTANTS (CONTINUED)

Auditors' Responsibilities for the Audit of the Financial Statements

Our 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our 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 MIPA's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the board members' 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 MIPA's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report. However, future events or conditions may cause MIPA 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.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

- We have no relationship with, or interests in, MIPA other than in our capacities as auditors and member of MIPA;
- We have obtained all information and explanations that we have required; and
- In our opinion, proper accounting records have been kept by MIPA as far as it appears from our examination of those records.

Other matter

This report is made solely to MIPA's members in accordance with the Financial Reporting Act 2004. Our audit work has been undertaken so that we might state to MIPA's members, as a body, those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than MIPA and MIPA's members, as a body, for audit work, for this report, or for the opinions we have formed.

Kemp Chatteris

Kemp Chatteris
Chartered Accountants

06 SEP 2019

Audit.Tax.Consulting.Financial Advisory.



Kevin Se Hin Son, FCCA, ACA
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THE MAURITIUS INSTITUTE OF PROFESSIONAL ACCOUNTANTS

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 Rs	2018 Rs
Subscription income	5	9,670,000	4,912,000
Income from training and education	6	1,531,187	530,033
Other income	7	191,000	339,497
		<u>11,392,187</u>	<u>5,781,530</u>
Other operating expenses	8	<u>(3,137,518)</u>	<u>(1,588,344)</u>
Operating surplus		8,254,669	4,193,186
Administrative expenses	9	<u>(4,938,517)</u>	<u>(3,188,884)</u>
Net finance income	10	<u>103,564</u>	<u>6,382</u>
Surplus for the year		3,419,716	1,010,684
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>3,419,716</u></u>	<u><u>1,010,684</u></u>

The notes on pages 15 to 29 form an integral part of these financial statements.

THE MAURITIUS INSTITUTE OF PROFESSIONAL ACCOUNTANTS

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019


	Notes	2019 Rs	2018 Rs
ASSETS			
Non-current assets			
Equipment	11	328,906	201,835
Intangible assets	12	2	426
Total non-current assets		328,908	202,261
Current assets			
Receivables	13	1,885,454	687,443
Cash and cash equivalents		11,816,385	7,716,912
Total current assets		13,701,839	8,404,355
Total assets		14,030,747	8,606,616
RESERVES AND LIABILITIES			
Reserves			
Accumulated surplus		11,535,832	8,116,116
Liabilities			
Non-current liabilities			
Gratuity on retirement	14	130,385	-
Current liabilities			
Payables	15	2,364,530	490,500
Total liabilities		2,494,915	490,500
Total reserves and liabilities		14,030,747	8,606,616

06 SEP 2019

Approved for issue by the Board on
and signed on its behalf by:



Nooredin Shamsudin Mohit
Chairperson



Bheem Ramruttan
Secretary

The notes on pages 15 to 29 form an integral part of these financial statements.

THE MAURITIUS INSTITUTE OF PROFESSIONAL ACCOUNTANTS

**STATEMENT OF MOVEMENT IN ACCUMULATED SURPLUS
FOR THE YEAR ENDED 30 JUNE 2019**

	Accumulated surplus
	Rs
Balance at 01 July 2017	7,105,432
Total comprehensive income for the year	<u>1,010,684</u>
Balance at 30 June 2018	8,116,116
Total comprehensive income for the year	<u>3,419,716</u>
Balance at 30 June 2019	<u><u>11,535,832</u></u>

The notes on pages 15 to 29 form an integral part of these financial statements.

THE MAURITIUS INSTITUTE OF PROFESSIONAL ACCOUNTANTS

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 Rs	2018 Rs
Cash flows from operating activities			
Surplus for the year		3,419,716	1,010,684
<i>Adjustments for:</i>			
Depreciation of equipment	11	120,824	90,995
Amortisation of intangible assets	12	424	47,732
Net finance income		(103,564)	(6,382)
Movement in gratuity on retirement	14	130,385	-
Operating surplus before working capital changes		3,567,785	1,143,029
Increase in receivables		(1,198,011)	(245,311)
Increase/(decrease) in payables		1,874,030	(64,320)
Net finance income received		103,564	6,382
Net cash generated from operating activities		4,347,368	839,780
Cash flows from investing activities			
Acquisition of equipment	11	(247,895)	(44,990)
Net cash used in investing activities		(247,895)	(44,990)
Net increase in cash and cash equivalents		4,099,473	794,790
Cash and cash equivalents at beginning of the year		7,716,912	6,922,122
Cash and cash equivalents at end of the year		11,816,385	7,716,912

The notes on pages 15 to 29 form an integral part of these financial statements.

THE MAURITIUS INSTITUTE OF PROFESSIONAL ACCOUNTANTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

1. GENERAL INFORMATION

The Mauritius Institute of Professional Accountants ("MIPA") has been established under the Financial Reporting Act 2004. The objects of MIPA are to regulate and supervise the accountancy profession, to promote the highest standards of professional and business conduct and enhance the quality of services offered by professional accountants.

The address of the registered office is Suite 1104, 11th Floor, SIT Business Centre, The Core, 62, Cybercity, Ebène.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and other regulatory requirements.

(b) Basis of preparation

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying MIPA's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where critical estimates and assumptions are significant to the financial statements are disclosed in Note 4.

Application of new and revised International Financial Reporting Standards (IFRS)

In the current year, the MIPA has applied all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the IFRS Interpretations Committee of the IASB that are relevant to its operations and effective for accounting years beginning on 1 July 2018.

New and revised standards applied which may affect amount reported and disclosed in the financial statements

MIPA has adopted the following standards which are effective 1 January 2018:

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss.

THE MAURITIUS INSTITUTE OF PROFESSIONAL ACCOUNTANTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(b) Basis of preparation (continued)***New and revised standards applied which may affect amount reported and disclosed in the financial statements (continued)*

The only area of significance to the MIPA relates to the new expected credit loss model. MIPA has assessed the requirements of the new standard through the IFRS 9 simplified approach to measuring expected credit losses. The Board has determined that the effect on the financial statements is not material.

IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. MIPA has assessed the implications of the new standard and concluded that the accounting treatment is the same under both IAS 18 and IFRS 15.

The application of these standards did not have any impact on the amounts recognised in prior periods and is not expected to have a material impact on the current or future periods.

New and revised IFRSs applied with no material effect on financial statements

The following new and revised IFRSs have been applied in these financial statements. The application of these new and revised IFRSs has not had any material impact on the amounts reported and/or disclosed for the current year but may affect the accounting for future transactions or arrangements.

IFRIC 22 Foreign Currency Transactions and Advance Considerations

New and revised IFRSs in issue but not yet effective

At the date of authorisation of these financial statements, the following relevant IFRSs were in issue but effective on annual periods beginning on or after the respective dates as indicated.

- IAS 1 Presentation of Financial Statements – Amendments regarding the definition of material (effective 1 January 2020)
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Amendments regarding the definition of material (effective 1 January 2020)
- IAS 12 Income Taxes – Amendments resulting from Annual Improvements 2015-2017 Cycle (income tax consequences of dividends) (effective 1 January 2019)
- IFRS 9 Financial Instruments – Amendments regarding prepayment features with negative compensation and modifications of financial liabilities (effective 1 January 2019)
- IFRIC 23 Uncertainty over Income Tax Treatments (effective 1 January 2019)

The Board anticipates that these IFRS will be applied on their effective dates in future years. The directors have not yet had an opportunity to consider the potential impact of the application of these amendments.

THE MAURITIUS INSTITUTE OF PROFESSIONAL ACCOUNTANTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)(c) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to MIPA and the revenue can be reliably measured.

Member's subscription fees, other than exempt members, are recognised in the statement of profit or loss and other comprehensive income as income in the year to which it relates. Income from admission fees are recognised in the relevant year of admission.

Subscription fees from member firms are accounted for in the year in which it is received.

Income from training and education is measured at the fair value of the consideration received or receivable.

Subscription income received in advance is included within payables and subsequently credited to the statement of profit or loss and other comprehensive income in the year in which services for these subscriptions are rendered.

Interest income is recognised on the accruals basis unless collectibility is in doubt.

(d) Expense recognition

Expenses are accounted for on an accruals basis in the statement of profit or loss and other comprehensive income.

(e) Functional and presentation currency

Items included in the financial statements are measured using Mauritian Rupees (Rs), the currency of the primary economic environment in which MIPA operates ("the functional currency").

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss and other comprehensive income.

(f) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit or loss and other comprehensive income on a straight line basis over the period of the lease.

THE MAURITIUS INSTITUTE OF PROFESSIONAL ACCOUNTANTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(g) Equipment**

Equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to bringing the asset to working condition for their intended use.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset as appropriate only when it is probable that future economic benefits associated with the item will flow to MIPA and the cost of the item can be measured reliably.

Depreciation is calculated to write off the cost of the assets on a straight line basis over the expected useful lives of the assets. The annual rates used are as follows:

Office equipment	-	20%
Computer equipment	-	33%
Furniture and fittings	-	10%

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in the statement of profit or loss and other comprehensive income.

(h) Intangible assets**Computer softwares and website**

Expenditures incurred on computer software programs and website are recognised as intangible assets and are amortised over 3 years using the straight line method.

(i) Receivables

Receivables include subscriptions receivables from members. Receivables are initially recognised at fair value and subsequently measured at amortised cost less an allowance for any irrecoverable amounts. Allowance is made when there is objective evidence that MIPA will not be able to recover balances in full. Balances are written-off when the probability of recovery is assessed as being remote.

(j) Cash and cash equivalents

Cash comprises cash at banks and 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.

(k) Impairment

The carrying amounts of MIPA's assets are reviewed at the end of each reporting year to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss and other comprehensive income in the year

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(l) Financial instruments**

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

Disclosures about financial instruments to which MIPA is a party are provided in Note 3.

(m) State pension plan

Contributions to the National Pension Scheme are expensed to the statement of profit or loss and other comprehensive income in the year in which they fall due.

(n) Gratuity on retirement

A provision is required for the estimated undiscounted liability for gratuity on retirement as a result of services rendered by the employees up to the reporting date under the Employment Rights Act 2008. The gratuity payable on retirement is unfunded and not determined by an actuarial valuation.

(o) Payables

Payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

(p) Provisions

Provisions are recognised when MIPA has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

(q) Reserves

Reserves consist of accumulated surpluses.

(r) Related parties

Related parties are individuals, including management personnel, where the individual has the ability, directly or indirectly, to control the other party, or exercise significant influence over the party in making financial and operational decisions.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

3. FINANCIAL RISK MANAGEMENT

(a) Financial risk factors

MIPA's financial instruments comprise mostly receivables, cash and cash equivalents and payables. MIPA is therefore exposed to credit risk, currency risk, liquidity risk and interest rate risk. The Board oversees the management of these risks including reviewing and agreeing policies for managing them. These are disclosed below.

Credit risk

Credit risk arises principally from receivables which relate substantially to members' subscriptions. The credit risk is that the member fails to discharge its legal obligation in respect of the instrument. MIPA has no significant concentration of credit risk, with exposure spread over a large number of members. Management reviews the subscription receivable balances on a regular basis and undertakes an exercise to consider removing members from the receivables ledger register for non-payment of subscriptions.

The Board does not consider subscription fees receivable to be a financial asset since these are statutory dues and not contractual dues. Accordingly, no disclosures have been presented relating to credit risk on those receivables.

Receivables and cash and cash equivalents (excluding subscriptions receivable and prepayments) represent MIPA's maximum exposure to risk in relation to financial assets.

	2019	2018
	Rs	Rs
Receivables (excluding subscriptions receivable and prepayments)	69,643	37,093
Cash and cash equivalents	11,816,385	7,716,912
	<u>11,886,028</u>	<u>7,754,005</u>

The following represents ageing of receivables (excluding subscriptions receivable and prepayments):

	Less than 1 year	More than 1 year	Total
	Rs	Rs	Rs
<u>2019</u>			
Receivables (excluding subscriptions receivable and prepayments)	<u>69,643</u>	<u>-</u>	<u>69,643</u>

THE MAURITIUS INSTITUTE OF PROFESSIONAL ACCOUNTANTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk factors

Credit risk (continued)

	Less than 1 year Rs	More than 1 year Rs	Total Rs
<u>2018</u>			
Receivables (excluding subscriptions receivable and prepayments)	37,093	-	37,093

Liquidity risk

Liquidity risk is defined as the risk that MIPA will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk is limited to payables. All financial liabilities on the statement of financial position have a maturity of not more than one month. MIPA's policy to manage liquidity risk is to maintain at all times sufficient cash balance to allow it to meet its obligations as and when they fall due. MIPA enters into commitments only when the Board is satisfied that it has the resources to meet the resulting obligations.

	Less than 1 year Rs	More than 1 year Rs	Total Rs
<u>2019</u>			
Payables (excluding subscription received in advance and advances for training)	873,356	-	873,356

	Less than 1 year Rs	More than 1 year Rs	Total Rs
<u>2018</u>			
Payables (excluding subscription received in advance)	150,500	-	150,500

THE MAURITIUS INSTITUTE OF PROFESSIONAL ACCOUNTANTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk factors

*Currency risk**Currency profile*

	Financial assets 2019	Financial liabilities 2019	Financial assets 2018	Financial liabilities 2018
	Rs	Rs	Rs	Rs
Mauritian Rupee	11,729,118	156,444	6,900,504	150,500
United States Dollar	156,910	716,912	853,501	-
	<u>11,886,028</u>	<u>873,356</u>	<u>7,754,005</u>	<u>150,500</u>

Prepayments, subscription receivables and advances for training amounting to Rs1,784,811 (2018: Rs650,350) have not been included in financial assets.

MIPA has financial assets and liabilities denominated in other foreign currencies. Consequently, MIPA is exposed to the risk that the exchange rate of the Mauritian Rupee relative to the other foreign currencies may change in a manner which has a material effect on the reported values of MIPA's assets and liabilities which are denominated in foreign currencies.

- Sensitivity analysis

At 30 June 2019, if the Mauritian Rupee had weakened/strengthened by 5 percent against the following currencies, there would have been a similar increase/decrease in equity and surplus by the amounts shown below. This analysis assumes that all other variables remain constant.

<i>Effects of an increase/(decrease) of 5%</i>	Effect on reserves 2019	Effect on surplus 2019	Effect on reserves 2018	Effect on surplus 2018
	Rs	Rs	Rs	Rs
United States Dollar	<u>28,000</u>	<u>28,000</u>	<u>42,675</u>	<u>42,675</u>

Interest rate risk

MIPA's income and operating cash flows are independent of changes in market interest rates. The only significant interest-bearing financial assets are cash and cash equivalents. Interest income may fluctuate, in particular due to changes in interest rates. MIPA's policy is to maximise finance income on its interest-bearing assets. The effect on the surplus for the year of a possible change in interest rate is immaterial.

(b) Fair value estimation

At 30 June 2019, MIPA did not have assets and liabilities measured at fair values since their carrying amounts are a reasonable approximation of fair value.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Capital risk management

MIPA considers its capital to be its accumulated surplus. The management's financial objective is to generate an approved operating position and to build and maintain surplus at a sustainable level. MIPA is not subject to any material externally imposed capital requirements.

(d) Categories of financial instruments

	2019	2018
	Rs	Rs
<i>Financial assets at amortised cost</i>		
Receivables	69,643	37,093
Cash and cash equivalents	11,816,385	7,716,912
	<u>11,886,028</u>	<u>7,754,005</u>
<i>Financial liabilities at amortised cost</i>		
Payables (excluding subscription received in advance and advances for training)	873,356	150,500

At the reporting date, there were no significant concentrations of credit risk for receivables. The carrying amounts reflected above represents MIPA's maximum exposure to credit risk for such receivables.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION

The preparation of MIPA's financial statements requires the Board and management to make judgements, estimates and assumptions about the reported amounts of revenues, expenses and the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

(a) Judgement

Going concern

The Board has made an assessment of MIPA's ability to continue as a going concern and is satisfied that MIPA has the resources to continue in business for the foreseeable future. Furthermore, board members are not aware of any material uncertainties that may cast significant doubt upon MIPA's ability to continue as a going concern. Therefore, the financial statements have been prepared on the going concern basis.

THE MAURITIUS INSTITUTE OF PROFESSIONAL ACCOUNTANTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019**4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION (CONTINUED)***(a) Judgement (continued)**Business model assessment*

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. MIPA determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the management of the assets are compensated. Monitoring is part of the MIPA's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

*(b) Key sources of estimation**Impairment of receivables*

Impairment of receivables is made when there is objective evidence that MIPA will not be able to collect certain debts. MIPA is required to estimate the level of impairment based on detailed analysis and experience of historic impairment rates in the context of the current debtor profile. The amount to be impaired has to be approved by the Board.

Equipment and intangible assets

Equipment and intangible assets are depreciated and amortised respectively over their useful lives taking into account residual value, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life-cycle and maintenance programs are taken into account. Residual value assessments consider future market conditions, the remaining life of the assets and projected disposal value. Consideration is also given to the extent of current profits and losses on the disposal of similar assets.

The residual value of an asset is the estimated net amount that MIPA would currently obtain from disposal of the asset, if the asset was already of the age and in condition expected at the end of its useful life.

The board members therefore make estimates based on historical experience and use best judgement to assess the useful lives of assets and to forecast the expected useful lives.

THE MAURITIUS INSTITUTE OF PROFESSIONAL ACCOUNTANTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

5. SUBSCRIPTION INCOME

	2019	2018
	Rs	Rs
Admission fees	914,000	719,500
Subscription fees	8,665,000	3,785,500
Subscription fees received in arrears	79,000	385,000
Rejected applications and duplicate certificate fees	12,000	22,000
	<u>9,670,000</u>	<u>4,912,000</u>
Subscription income are analysed as follows:		
(i) Professional accountants:		
Admission fees	762,000	583,000
Subscription fees	6,146,000	2,831,000
(see note (b) below)	<u>6,908,000</u>	<u>3,414,000</u>
(ii) Public accountants:		
Admission fees	80,000	30,000
Subscription fees	662,000	322,000
(see note (c) below)	<u>742,000</u>	<u>352,000</u>
(iii) Member firms:		
Admission fees	72,000	106,500
Subscription fees	1,857,000	632,500
	<u>1,929,000</u>	<u>739,000</u>
(iv) Rejected Duplicate applications	<u>12,000</u>	<u>22,000</u>
(v) Subscription fees received in arrears	<u>79,000</u>	<u>385,000</u>
Total subscriptions income	<u>9,670,000</u>	<u>4,912,000</u>
(b) Number of professional accountants is analysed as follows:		
	2019	2018
	Number	Number
Professional accountants:		
Opening balance	3,037	2,438
New admission	254	583
New exempt admission	25	16
Less deregistered	(12)	-
Closing balance	<u>3,304</u>	<u>3,037</u>
Exempt members:		
Opening balance	(206)	(190)
New admission	(25)	(16)
Closing balance	<u>(231)</u>	<u>(206)</u>
Total number of professional accountants excluding exempt members	<u>3,073</u>	<u>2,831</u>
(c) Number of public accountants are analysed as follows:		
Public accountants:		
Opening balance	322	292
New admission	16	30
Less deregistered	(7)	-
Closing balance	<u>331</u>	<u>322</u>
(d) Number of member firms are analysed as follows:		
Member firms:		
Opening balance	202	179
New admission	18	24
Less deregistered	-	(1)
Closing balance	<u>220</u>	<u>202</u>

At 30 June 2019, MIPA had 231 members (2018: 206 members) who were exempt from payment of annual subscription fees pursuant to Section 51, 4 (b) of the Financial Reporting Act 2004, as amended in December 2012.

According to the Financial Reporting Regulations 2012 (Mauritius Institute of Professional Accountants - fees), application fees for the issue of certificate of registration are non-refundable.

THE MAURITIUS INSTITUTE OF PROFESSIONAL ACCOUNTANTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

6. INCOME FROM TRAINING AND EDUCATION

	2019	2018
	Rs	Rs
Net income from training and education	1,271,987	108,033
Sale of IFRS books	259,200	422,000
	<u>1,531,187</u>	<u>530,033</u>

7. OTHER INCOME

	2019	2018
	Rs	Rs
Income derived from events - Football Tournament	191,000	-
Discount received on PAFA subscription for year 2017	-	339,497
	<u>191,000</u>	<u>339,497</u>

8. OTHER OPERATING EXPENSES

	2019	2018
	Rs	Rs
Subscriptions-PAFA	1,255,936	278,884
Subscriptions-IFAC	268,351	230,697
PAFA & IFAC conferences	706,647	396,860
Purchase of IFRS books	240,687	290,627
MIPA events	486,346	224,413
Printing, postage and stationery	71,255	44,831
Advertising	108,296	122,032
	<u>3,137,518</u>	<u>1,588,344</u>

THE MAURITIUS INSTITUTE OF PROFESSIONAL ACCOUNTANTS
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 30 JUNE 2019

9. ADMINISTRATIVE EXPENSES

	2019	2018
	Rs	Rs
Salaries and related costs	3,159,008	1,694,234
Rent	1,032,933	868,732
Legal and professional fees	133,725	152,825
Electricity and telephone	104,191	101,209
Computer and related expenses	124,116	61,124
Depreciation of equipment	120,824	90,995
Amortisation of intangible assets	424	47,732
Insurance expense	22,572	19,841
Other administrative expenses	240,724	152,192
	<u>4,938,517</u>	<u>3,188,884</u>

10. NET FINANCE INCOME

	2019	2018
	Rs	Rs
Bank interest income	87,851	49,955
Net foreign exchange gains/(losses)	15,713	(43,573)
	<u>103,564</u>	<u>6,382</u>

11. EQUIPMENT

	Office equipment Rs	Computer equipment Rs	Furniture and fittings Rs	Total Rs
Cost				
At 01 July 2017	207,513	243,320	391,805	842,638
Additions	5,000	39,990	-	44,990
At 30 June 2018	212,513	283,310	391,805	887,628
Additions	7,415	75,980	164,500	247,895
At 30 June 2019	<u>219,928</u>	<u>359,290</u>	<u>556,305</u>	<u>1,135,523</u>
Accumulated depreciation				
At 01 July 2017	119,597	221,201	254,000	594,798
Charge for the year	37,825	26,774	26,396	90,995
At 30 June 2018	157,422	247,975	280,396	685,793
Charge for the year	39,974	38,270	42,580	120,824
At 30 June 2019	<u>197,396</u>	<u>286,245</u>	<u>322,976</u>	<u>806,617</u>
Net book value				
At 30 June 2019	<u>22,532</u>	<u>73,045</u>	<u>233,329</u>	<u>328,906</u>
At 30 June 2018	<u>55,091</u>	<u>35,335</u>	<u>111,409</u>	<u>201,835</u>

THE MAURITIUS INSTITUTE OF PROFESSIONAL ACCOUNTANTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

12. INTANGIBLE ASSETS

	Database management software and website	Accounting software licence	Total
	Rs	Rs	Rs
Cost			
At 01 July 2018	310,501	62,030	372,531
Additions	-	-	-
At 30 June 2019	<u>310,501</u>	<u>62,030</u>	<u>372,531</u>
Amortisation			
At 01 July 2017	276,793	47,580	324,373
Charge for the year	33,707	14,025	47,732
At 30 June 2018	<u>310,500</u>	<u>61,605</u>	<u>372,105</u>
Charge for the year	-	424	424
At 30 June 2019	<u>310,500</u>	<u>62,029</u>	<u>372,529</u>
Carrying amounts			
At 30 June 2019	<u>1</u>	<u>1</u>	<u>2</u>
At 30 June 2018	<u>1</u>	<u>425</u>	<u>426</u>

13. RECEIVABLES

	2019 Rs	2018 Rs
Subscriptions receivable	928,000	146,000
Prepayments	869,761	504,350
Other receivables	87,693	37,093
	<u>1,885,454</u>	<u>687,443</u>

- (a) The board members do not consider subscriptions receivable to be a financial asset since these are statutory dues and not contractual dues. Accordingly, no disclosures have been presented relating to the ageing of those subscriptions receivables.
- (b) Other receivables are unsecured and fully performing. No collaterals are held in respect of those receivables.
- (c) The carrying amounts of receivables approximate their fair values.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019**14. GRATUITY ON RETIREMENT**

	2019 Rs	2018 Rs
At 1 July	-	-
Amount recognised during the year	130,385	-
At 30 June	130,385	-

15. PAYABLES

	2019 Rs	2018 Rs
Subscriptions received in advance	1,154,500	55,000
Advances for training	220,000	285,000
Other payables and accruals	990,030	150,500
	2,364,530	490,500

The carrying amounts of payables approximate their fair values.

16. OPERATING LEASE COMMITMENTS

Future minimum rental payable under operating leases as at 30 June 2019 were as follows:

	2019 Rs	2018 Rs
Within one year	640,212	440,094
After one year but not more than five years	-	-
	640,212	440,094

The office leased by MIPA is a short-term lease with renewal options in the contract.

17. RELATED PARTY TRANSACTIONS

- (a) The board members are not entitled to any remuneration since their services rendered are on a voluntary basis.
- (b) The remuneration and short term benefits of key management personnel for the year ended 30 June 2019 was Rs1,710,000 (2018: Rs 590,000).

18. CONTINGENCIES

At the reporting date, MIPA had no contingent liabilities (2018: Nil).