



ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2022

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Financial Year 2021-2022

Report of the Chairperson

I am pleased, as the Chairperson of the Mauritius Institute of Professional Accountants (MIPA), to present, on behalf of the Board members, the Annual Report of MIPA for the period 01 July 2021 to 30 June 2022. In writing this report, I recognise the fact that the year 2022 requires no context-setting. As the domino effect of the COVID-19 pandemic and the Russo-Ukrainian conflict ripple through communities, businesses and the profession more broadly, we remain firm in our commitment to support and guide our members as they continue to make a difference in Mauritian society.

We are experiencing challenging economic times and in such an environment, organisations such as ours need to be agile and innovative to be able to deliver positive change. However, every challenge also presents new opportunities. The opportunity presented to our profession is to expand its capabilities and embrace new technologies and ways of working. To make the most of this prospect, MIPA must demonstrate its commitment towards continuous improvement for the betterment of the profession.

Throughout the financial year, we focused on being relevant to our members through training, by organising sessions on a wider range of topics relevant to the Accountancy profession. We believe that these are vital for the flow of knowledge and awakening to the opportunities available in the market. Our members are at the leading edge of change and as their regulatory body, we are committed to being with them at every juncture on these new horizons. Accelerating developments in technology also have the potential to redefine the profession. Accountants are increasingly encountering cryptocurrency and other crypto assets, and MIPA has been supporting them with this by organising various training sessions on this topic throughout the year.

Financial Year 2021-2022

Report of the Chairperson

Accomplishments in 2021-2022

1. Responding to the COVID-19 crisis and upholding our resilience

Despite the turbulence brought about by the pandemic and the numerous restrictions, the Board adopted a set of guiding principles in shaping our response, with a particular focus on ensuring a high quality of service provided to members regardless of the change in delivery format of our training and communication channels. Emphasis was also placed on the continued pursuit of long-term sustainability of the organisation and the improvement of the profession.

2. Combatting Rogue Accountants

MIPA extended an exceptional moratorium period from 1st February 2022 to 30th June 2022 to all Professional Accountants, Public Accountants and Accounting Firms to be registered and be in compliance with MIPA under the Financial Reporting Act 2004.

3. E-Learning and Continuing Professional Development

Our professional development offering continues to grow despite the numerous disruptions caused by the COVID-19 pandemic. MIPA organised several training sessions ranging from IFRS Updates to Virtual Assets amongst others.

The AML/CFT Unit organised several technical webinars under the aegis of the Interagency Coordination Committee (ICC). The overarching goal of these sessions was to provide relevant content to increase awareness of Money Laundering Reporting Officers and Compliance Officer regarding good practices.

4. AML/CFT Unit

Although Mauritius was removed from the FATF list, our AML/CFT unit has worked diligently towards ensuring that our licensees are compliant with the regulatory and supervisory framework. Our AML/CFT Unit conducted 19 on-site inspections to ascertain that our licensees are acquiescent with the regulatory and supervisory framework.

Financial Year 2021-2022

Report of the Chairperson

5. Technical Resources

The MIPA has amplified its investment in member technical resources by facilitating access to key resources such as the 2021 Handbook of the International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), the UNSC Consolidated Lists, and publications on Anti-Money Laundering: The Basics educational series, amongst others.

Financial Year 2021-2022

Report of the Chairperson

Ongoing Projects

1. Practising Certificates

MIPA has the objective of issuing its own practising certificates this year. MIPA has already conducted industry consultations and garnered feedback and suggestions in order to improve various facets of the project. The Financial Reporting Act has also been amended in the National Budget of 2022-2023 to give the power to MIPA to issue its own Practising Certificates.

2. The Financial Reporting Act 2004

In addition, in the 2022-2023 National Budget presented by The Honourable Minister of Finance, Economic Planning and Development, the government took the decision to amend the Financial Reporting Act so that MIPA can cater for the conduct of examinations, assessments and interviews for the purpose of registering public accountants and empowering MIPA to inquire into any written complaint made against any registered public accountant. MIPA will now be able to take actions against non-registered persons who are giving the impression that they are authorised to provide services as a public accountant in Mauritius.

3. Revamping of the Website and Member Portal

MIPA's website and online presence remains a key platform through which we communicate with our members and stakeholders. We are currently working toward a complete revamp of the website and member portal in order to make it more accessible and user-friendly. The goal is to ensure a seamless experience for all our members and to increase MIPA's visibility. The member portal will be enhanced to be a one-stop shop where members can renew their membership, view member news and upcoming events, record their CPD achievements and get access to relevant resources.

4. Launch a Mobile App

Mobile apps allow users to have easy, functional access to information that they need in real-time and are optimised for hands-on interaction. As smartphones now play a major role in the lives of professionals, MIPA has taken the initiative to develop a mobile application which will allow members to have instant and easy access to relevant information. Members will be able to view their profile and status with the MIPA, stay updated regarding all upcoming and previous events, track their own CPD and get support from us within arm's reach.

Financial Year 2021-2022

Report of the Chairperson

Overview of the year

Summary of Financial Results

Income

The subscription income increased by Rs 353,000 this year, whilst members not in good standing were deregistered as MIPA members after multiple reminders to remain compliant.

Expenses

Operating expenses has increased by 12.91% this year. It is to be noted that there has been an increase in PAFA & IFAC subscriptions fees in 2021/2022 and the cost for Portable Retirement Gratuity Fund for past services were also paid. Administrative expenses increased by 14.82% associated with the strengthening of our supervision team to better achieve our strategic goals. Additionally, more administrative, compliance, and training software licenses were bought for better communication with our members.

Surplus

The surplus for the year amounted to Rs 660,829 as compared to Rs 1,635,543 in the previous financial year. Comparatively, the surplus in 2020-21 was higher as there were more readmissions of members.

Cash and Cash Equivalent

MIPA's cash position is Rs 18.3m as compared to Rs 19.5m in 2020-2021. These funds will be utilised to finance MIPA's ongoing and future projects.

Financial Year 2021-2022

Report of the Chairperson

Learning and Development

Date	Learning and Development Activities	Participants
16 th July 2021	Webinar on Raising Awareness among Finance Professionals	Members
20 th July 2021	ICC Outreach on Implementation of Targeted Financial Sanctions (TFS)	Members
27 th August 2021	ICC Outreach on Cases Identified by Law Enforcement Agency (LEAs) with respect to Legal Arrangements, Typology Report (Beneficial Ownership/Ultimate Beneficial Ownership) and Suspicious Transaction Report (STR)	Members
30 th September 2021	ICC Outreach on Beneficial Ownership Information and Suspicious Transaction Report	Members
26 th October 2021	Complimentary webinar on "Obligations of professional accountants in Mauritius"	Members
29 th October 2021	ICC Outreach on Customer Due Diligence (CDD) and Enhanced Due Diligence (EDD)	Members
29 th November 2021	Virtual Outreach on 'Beneficial Ownership (BO) for Legal Persons'	Members
10 th December 2021	ICC Outreach on ML/TF Risk Internal Controls and the Compliance Program and Suspicious Transaction Report (STR)	Members
27 th January 2022	ICC Outreach on Targeted Financial Sanctions (TFS), Suspicious Transaction Reports (STR) and Beneficial Owner Information	Members
11 th February 2022	Virtual Training on the Portable Retirement Gratuity Fund ("PRGF")	Members
18 th February 2022	Virtual Training on the Virtual Asset/Fintech	Members
23 rd February 2022	ICC Outreach on Supervisory Assessment for Beneficial Ownership Information	Members
23 rd March 2022	Virtual Training on the Portable Retirement Gratuity Fund ("PRGF")	Members
29 th March 2022	ICC Outreach on Internal Control and Enterprise-Wide Risk Assessment	Members

Financial Year 2021-2022

Report of the Chairperson

14 th April 2022	Virtual Training session on Management Responsibilities in Information Security and Data Privacy	Members
19 th April 2022	Virtual Pre-Budget Forum 2022	Members
12 th May 2022	Virtual Training on IFRS 9	Members
26 th May 2022	ICC Outreach on Targeted Financial Sanctions (TFS)	Members
16 th June 2022	ICC Outreach on Dissemination of Risk Assessment relating to the Virtual Asset Space	
21 st June 2022	Virtual Training on IFRS 16 'Leases' and IFRS 15 'Revenue from Contracts with Customers'	Members

Outlook

Following an evaluation of Mauritius' regime against Money laundering and the financing of terrorism, the Financial Action Task Force ("FATF") removed Mauritius from the list of non-compliant jurisdictions on 21 October 2021. Shortly after, the United Kingdom also removed Mauritius from its list of high-risk countries under the UK Money Laundering and Terrorist Financing (Amendment) (No. 3) (high-risk countries) Regulations 2021. And finally, on the 7th of January 2022, the European Commission removed Mauritius from its list of high-risk third countries by acknowledging that it no longer presents strategic deficiencies. This is the result of the progress made by Mauritius in its fight against money laundering and terrorist financing. It signifies that Mauritius is well on track to regain its status as a compliant domicile for international trade and investment.

Although we have been whitelisted by the FATF, it is important that all stakeholders continue to work closely to fight money laundering, terrorist financing and proliferation financing as we support the country's journey of being the main investment platform for funds to Africa.

Financial Year 2021-2022

Report of the Chairperson

Acknowledgement

I want to end by thanking all my fellow Board members, Vivek Gujadhur, Mervyn Lam Hung, Dwarka Soochit and Umar Q Annower, for their continued support to MIPA. The Board also acknowledges the efforts and commitment of the CEO Sanjeev Sharma, staff members and all stakeholders of MIPA.



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Chairperson: Mr. Mohammad Sallah -Ud- Din Surfraz

Date: 25 August 2022

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 2022.

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 2022 is shown on page 18. MIPA's surplus for the year ended 30 June 2022 amounted to Rs 660,829 (2021: surplus Rs 1,635, 543).

BOARD MEMBERS

MIPA is self-monitored by the profession in a transparent manner through its Board which consists of five members of the professional accountancy bodies specified in the Act and elected at the general assembly. In accordance with section 47 of the Act, the current Board for 2021/22 was reconstituted on 16 February 2022:

Name	Position	Board Meeting Attendance
Mr. Mohammad Sallah -Ud- Din Surfraz	Chairperson	12/12
Mr. Vivek Gujadhur	1st Vice-Chairperson	10/12
Mr. Mohammud Umar Quayyam Annower	2nd Vice-Chairperson	12/12
Mr. Dwarka Soochit Treasurer	Treasurer	12/12
Mr. Mervyn Lam Hung	Secretary	10/12
Mr. Priyaved Jhugroo	Former Board member	1/1 (retired in September 2021)
Mr. Deochand Nundloll	Former Board member	7/7 (resigned in February 2022)

REPORT OF THE BOARD

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 MIPA and to enable them to ensure that the financial statements comply with the Financial Reporting Act 2004 and International Financial Reporting Standards (IFRS).

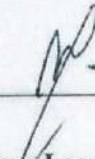
They are also responsible for safeguarding the assets of MIPA and for taking reasonable steps for the prevention and detection of fraud and any irregularities.

REPORT OF THE BOARD

The Board members confirm that they have complied with the above requirements in preparing the financial statements for the year ended 30 June 2022.



Mohammad Sallah Ud Din
Surfraz
Chairperson



Mervyn Lam Hung
Secretary

Date: 25 August 2022

PROFILE OF BOARD MEMBERS

Mohammad Sallah -Ud- Din Surfraz, Chairperson

Mohammad Sallah -Ud- Din is a Fellow of the Association of Certified Chartered Accountants (FCCA) and a Certified Fraud Examiner (CFE). He has more than 30 years of experience in Financial Crimes Investigations, Risk Management and Compliance.

He is presently the Head of Compliance of Butterfield Mauritius Limited which is a subsidiary of Butterfield Group. His previous position was with CITCO as Global Operation Control and KYC AML Manager. He has also worked as an investigator at the Financial Intelligence Unit and as a Police officer mainly with the Anti-Drugs and Smuggling Unit (ADSU).

He is the current Chairman of the ACCA Mauritius Network Panel. He is also a Board Member of the Financial Reporting Council (FRC).

Vivek Gujadhur, 1st Vice-Chairperson

Vivek is currently the Managing Partner of DUNCAN MORRIS in Mauritius. He has more than 20 years of international audit and advisory experience, having worked at Moore Stephens UK and KPMG Mauritius. He specialises in the financial service sector, mainly in the audit of banks (including central banks), private equities, listed entities, and donor-funded entities.

Vivek holds a Bachelor's degree in Finance and Commerce from the University of Delhi and is a Fellow Member of the Association of Chartered Certified Accountants. He is also a Board Member of the Financial Reporting Council (FRC). He has a strong commitment to community service and has been a past president of Mauritius Round Table.

Mohammud Umar Quayyam Annower, 2nd Vice-Chairperson

Quayyam is a Fellow Member of the Institute of Public Accountants (IPA) from Australia and is also a law practitioner. He has more than 10 years of experience in the field of finance having worked with clients from different sectors, namely the tourism sector, the textile industry and property development.

He is a member of the Chartered Institute of Securities & Investment (CISI). He holds the title of Certified Professional Forensic Accountant (CPFAcct) from the Institute of Certified Professional Forensic Accountants (ICFA) and is an Accredited Civil and Commercial Mediator. Being well versed in finance and law, he is confident that his knowledge and expertise will contribute to MIPA's success in the welfare of the accountancy profession in Mauritius.

PROFILE OF BOARD MEMBERS

Mervyn Lam Hung, Secretary

Mervyn is a member of the Institute of Chartered Accountants in England and Wales and is a Partner in the Audit department of KPMG. Mervyn joined KPMG in London in 2006, where he completed his traineeship, working mainly on banking and asset management audits. He has over 14 years of audit and advisory experience, working in Scotland, UK, Seychelles, and Mauritius. He returned to Mauritius in 2014 as a Senior Manager in KPMG. Mervyn is keen to bring enthusiasm and a fresh perspective to the MIPA Board.

Dwarka Soochit, Treasurer

Dwarka 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), and 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 and is a member of Leading Edge Alliance since 1998. He has also worked as Finance Manager in the Manufacturing Industry for 11 years. During his career, he has widely contributed to the setting up of manufacturing companies, namely in Kenya, Mayotte and Reunion Island.

He has served the Chartered Institute of Management Accountants Mauritius 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, Vice President and is currently the Treasurer of Mauritius Institute of Professional Accountants.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
THE MAURITIUS INSTITUTE OF PROFESSIONAL ACCOUNTANTS ("MIPA")**

Report on the Audit of the financial statements

Opinion

We have audited the financial statements of **THE MAURITIUS INSTITUTE OF PROFESSIONAL ACCOUNTANTS ("MIPA")** set out on pages 18 to 37, which comprise the statement of financial position as at 30 June 2022, 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 to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements give a true and fair view of the financial position of MIPA as at 30 June 2022 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and 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 under those standards 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 International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), and 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 the Report of the Chairperson, the Report of the Board and the Profile of board members. The other information does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or 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.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
THE MAURITIUS INSTITUTE OF PROFESSIONAL ACCOUNTANTS ("MIPA")**

Report on the audit of the financial statements (Continued)

Board Members' responsibility for the financial statements

The board members are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in compliance with the requirements of the Financial Reporting Act 2004 and for such internal control as the board members 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, the board members 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 have no realistic alternative but to do so.

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 MIPA's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board members.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
THE MAURITIUS INSTITUTE OF PROFESSIONAL ACCOUNTANTS ("MIPA")**

Report on the audit of the financial statements (Continued)

Auditors' responsibilities for the audit of the financial statements (Continued)

- 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 to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of 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 board members 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.

Other matter

This report is made solely to MIPA's members, in accordance with Financial Reporting Act 2004. Our audit work has been undertaken so that we might state to MIPA's members those matters that we are required to state 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, for our audit work, for this report, or for the opinions we have formed.

Report on other legal and regulatory requirements

We have no relationship with or interests in MIPA other than in our capacity as auditors and member firm.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by MIPA as far as it appears from our examination of those records.



MOORE

Chartered Accountants

PORT LOUIS
REPUBLIC OF MAURITIUS



Shweta Moheeput, BSc, ACA

Licensed by FRC

DATE: 25 August 2022

THE MAURITIUS INSTITUTE OF PROFESSIONAL ACCOUNTANTS

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 MUR	2021 MUR
Subscription income	11	11,252,000	10,899,000
Income from training and education	12	579,000	662,910
Other income	13	475,737	331,923
		12,306,737	11,893,833
Other operating expenses	14	(2,566,912)	(2,273,450)
Operating surplus		9,739,825	9,620,383
Administrative expenses	15	(9,218,860)	(8,082,818)
Net finance income	16	139,864	97,978
Surplus for the year		660,829	1,635,543
Other comprehensive income		-	-
Total comprehensive income for the year		660,829	1,635,543

The notes from pages 22 to 37 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Notes	2022 MUR	2021 MUR
ASSETS			
Non-current assets			
Equipment	4	430,043	483,086
Intangible assets	5	2	2
Total non-current assets		<u>430,045</u>	<u>483,088</u>
Current assets			
Receivables	6	2,036,518	903,042
Cash and cash equivalents	7	18,374,633	19,499,284
Total current assets		<u>20,411,151</u>	<u>20,402,326</u>
Total assets		<u>20,841,196</u>	<u>20,885,414</u>
RESERVES AND LIABILITIES			
Reserves			
Accumulated surplus		<u>14,690,894</u>	<u>13,920,365</u>
Liabilities			
Non-current liability			
Gratuity on retirement	8	-	171,500
Current liability			
Payables	9	<u>6,150,302</u>	<u>6,793,549</u>
Total liabilities		<u>6,150,302</u>	<u>6,965,049</u>
Total reserves and liabilities		<u>20,841,196</u>	<u>20,885,414</u>

These financial statements have been approved for issue by the Board on 25 August 2022 and signed on its behalf by:


 Mohammad Sallah-Ud-Din Surfraz
 Chairperson


 Mervyn Lam Hung
 Secretary

STATEMENT OF MOVEMENT IN ACCUMULATED SURPLUS FOR THE YEAR ENDED 30 JUNE 2022

	Accumulated surplus
	MUR
At 01 July 2020	12,284,822
Surplus for the year	1,635,543
Other comprehensive income	-
At 30 June 2021	13,920,365
Surplus for the year	660,829
Other comprehensive income	-
At 30 June 2022	14,581,194

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 MUR	2021 MUR
Cash flows from operating activities			
Surplus for the year		660,829	1,635,543
<i>Adjustment for:</i>			
Depreciation of equipment	4	164,128	161,127
Bank interest income	16	(139,864)	(96,133)
Movement in gratuity on retirement	8	(61,800)	(82,500)
Operating surplus before working capital changes		623,293	1,618,037
Movement in receivables		(1,133,476)	1,025,316
Movement in payables		(643,247)	4,370,204
Bank interest income received	16	139,864	96,133
Net cash (used in) / generated from operating activities		(1,013,566)	7,109,690
Cash flows from investing activities			
Acquisitions of equipment	4	(111,085)	(199,042)
Payments for intangible assets	6	-	-
Net cash used in investing activities		(111,085)	(199,042)
Net movement in cash and cash equivalents		(1,124,651)	6,910,648
Cash and cash equivalents at beginning of the year		19,499,284	12,588,636
Cash and cash equivalents at end of the year	7	18,374,633	19,499,284

The notes from pages 22 to 37 form an integral part of these financial statements.

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, Ebene.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

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

2.2 Basis of preparation

The financial statements have been prepared under the historical cost convention except for financial assets and financial liabilities which are measured at amortised cost.

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 3.

2.3 New and Revised International Financial Reporting Standards ("IFRSs")

2.3.1 New Standards, Amendments to published Standards and Interpretation effective in the reporting period

In the current year, the following new and revised standards and interpretation issued by the IASB became mandatory for the financial year under review:

- Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
- Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)

2.3.2 Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after 01 January 2022, or later periods, but which the Company has not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:

- IFRS 17 Insurance Contracts - Applicable to annual reporting periods beginning on or after 1 January 2023.
- Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16) - Applicable to annual reporting periods beginning on or after 1 January 2022.
- Reference to the Conceptual Framework (Amendments to IFRS 3) - Applicable to annual reporting periods beginning on or after 1 January 2022.
- Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37) - Applicable to annual reporting periods beginning on or after 1 January 2022.
- Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) - Applicable to annual reporting periods beginning on or after 1 January 2023.
- Classification of Liabilities as Current or Non-current — Deferral of Effective Date (Amendment to IAS 1) - Applicable to annual reporting periods beginning on or after 1 January 2023.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 New and Revised International Financial Reporting Standards ("IFRSs") (Continued)

2.3.2 Standards, Amendments to published Standards and Interpretations issued but not yet effective (Continued)

At the reporting date of these financial statements, the following were in issue but not yet effective: (continued)

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) - Applicable to annual reporting periods beginning on or after 1 January 2023.
- Definition of Accounting Estimates (Amendments to IAS 8) - Applicable to annual reporting periods beginning on or after 1 January 2023.
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) - Applicable to annual reporting periods beginning on or after 1 January 2023.

Annual Improvements 2018-2020 Cycle - Applicable to annual reporting periods beginning on or after 1 January 2022.

- IFRS 1 First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter,
- IFRS 9 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities,
- IFRS 16 Leases - Lease incentives, and
- IAS 41 Agriculture - Taxation in fair value measurements.

Where relevant, the Company is still evaluating the effect of these Standards, Amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

2.4 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.

2.5 Intangible assets

Computer software and website

Acquired computer software licences are capitalised on the basis of costs incurred to acquire and bring to use the specific software and are amortised using the straight-line method over their estimated useful lives of 3 years. Costs associated with developing or maintaining computer software are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software controlled by the Company and that will generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads. Computer software development costs recognised as assets are amortised over their estimated useful lives (not exceeding 3 years).

Intangible assets are not revalued.

At each statement of financial position date MIPA reviews the carrying amount of each intangible asset. If there is any indication of impairment, a write down is made if the carrying amount exceeds the recoverable amount.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Financial instruments

Financial instruments held by MIPA are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by MIPA, as applicable, are as follows:

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows).

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Financial liabilities:

- Amortised cost.

Note 17 Financial Instruments and risk management presents the financial instrument held by the MIPA based on their specific classifications.

The specific accounting policies for the classification, recognition and measurement of each type of financial instruments held by MIPA are presented below:

2.6.1 Receivables

(a) Classification

Receivables, excluding, when applicable, prepayments, are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and MIPA's business model is to collect the contractual cash flows on other receivables.

(b) Recognition and measurement

Receivables are recognised when MIPA becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Receivables mainly 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Financial instruments (Continued)

2.6.2 Cash and cash equivalents

Cash and cash equivalents comprises of cash at banks and in hand and are stated at carrying amount which is deemed to be at amortised cost.

2.6.3 Payables

(a) Classification

Payables excluding amounts received in advance are classified as financial liabilities subsequently measured at amortised cost.

(b) Recognition and measurement

They are recognised when MIPA becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs.

Payables expose the MIPA to liquidity risk and possibly to interest rate risk. Refer to note 17 for details of risk exposure and management thereof.

2.6.4 Derecognition

(a) Financial assets

MIPA derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If MIPA neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, MIPA recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If MIPA retains substantially all the risks and rewards of ownership of a transferred financial asset, MIPA continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(b) Financial liabilities

MIPA derecognises financial liabilities when, and only when, its obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 *Financial instruments (Continued)*

2.6.5 *Impairment*

Impairment of financial assets

The MIPA recognises loss allowances for ECL on:

- Financial assets measured at amortised cost.

The MIPA measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, MIPA considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on MIPA's historical experience and informed credit assessment and including forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which MIPA is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that MIPA expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, MIPA assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the MIPA on terms that the MIPA would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Financial instruments (Continued)

2.6.5 Impairment (Continued)

Impairment of financial assets (Continued)

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

Write-off

The gross carrying amount of a financial asset is written off when the MIPA has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The MIPA makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery.

Impairment of non-financial assets

MIPA assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, MIPA estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in the statement profit or loss and other comprehensive income.

2.7 Retirement benefit obligations

(a) Retirement gratuity

MIPA has provided a severance allowance for each year of service in respect of each employee on retirement at the age of 65 in accordance with the provisions under the Workers' rights Act 2019 (as amended).

The present value of unfunded obligations is recognised in the statement of financial position as a non current liability.

The current service cost and any unrecognised past service cost are recognised as an expense under staff costs together with the associated interest cost.

(b) State pension plan

Contributions to the Pension Scheme (Contribution Sociale Généralisée (CSG) or Generalised Social Contribution) expensed to the statement of profit or loss and other comprehensive income in the period in which they fall due.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 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 collectability is in doubt.

2.9 Expense recognition

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

2.10 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which MIPA operates, Mauritian Rupees (MUR) ('the functional currency'). The financial statements are presented in Mauritian Rupees (MUR), which is the MIPA's presentation currency.

(b) Transaction and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-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.

2.11 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.

Provision 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 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.

2.13 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.

2.14 Reserves

Reserves consist of accumulated surpluses.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION

The preparation of MIPA's financial statements requires 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 a period of the revision and future periods if the revision affects both current and future periods.

(a) Judgement

Going concern

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.

Business model assessment

Classification and measurement of financial assets depends on the result 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

4. EQUIPMENT

	Office equipment MUR	Computer equipment MUR	Furniture and fittings MUR	Total MUR
Cost or valuation:				
At 01 July 2020	219,928	502,955	638,726	1,361,609
Additions	-	157,760	41,282	199,042
At 30 June 2021	219,928	660,715	680,008	1,560,651
Additions	-	105,685	5,400	111,085
At 30 June 2022	219,928	766,400	685,408	1,671,736
Depreciation:				
At 01 July 2020	204,940	342,472	369,026	916,438
Charge for the year	7,546	103,633	49,948	161,127
At 30 June 2021	212,486	446,105	418,974	1,077,565
Charge for the year	5,014	105,360	53,754	164,128
At 30 June 2022	217,500	551,465	472,728	1,241,693
Net book value:				
At 30 June 2021	7,442	214,610	261,034	483,086
At 30 June 2022	2,428	214,935	212,680	430,043

5. INTANGIBLE ASSETS

	Database management software and website MUR	Accounting software licence MUR	Total MUR
Cost or valuation:			
At 01 July 2020	310,501	62,030	372,531
Additions	-	-	-
At 30 June 2021	310,501	62,030	372,531
Additions	-	-	-
At 30 June 2022	310,501	62,030	372,531
Amortisation:			
At 01 July 2020	310,500	62,029	372,529
Charge for the year	-	-	-
At 30 June 2021	310,500	62,029	372,529
Charge for the year	-	-	-
At 30 June 2022	310,500	62,029	372,529
Carry amounts:			
At 30 June 2021	1	1	2
At 30 June 2022	1	1	2

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

6. RECEIVABLES

	2022 MUR	2021 MUR
Subscription receivables	124,000	-
Prepayments	855,262	687,708
Advances	226,322	215,334
Part-payments for intangible assets	830,934	-
	2,036,518	903,042

- (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) The part-payments for implementation of intangible assets represent payments for implementation of software. Upon completion of the implementation, this will be reclassified under intangible assets.
- (c) Receivables are unsecured and fully performing. No collaterals are held in respect of those receivables.
- (d) The carrying amounts of receivables approximate their fair values.

7. CASH AND CASH EQUIVALENTS

	2022 MUR	2021 MUR
Cash	18,374,633	11,499,284
Fixed Deposit with bank	-	8,000,000
	18,374,633	19,499,284

The fixed deposit was taken on 1st October 2020 for a period of 15 months with an interest rate of 2.25% per annum, receivable on a quarterly basis.

8. GRATUITY ON RETIREMENT

	2022 MUR	2021 MUR
At 01 July	171,500	254,000
Credit charged to income statement	(61,800)	(82,500)
At 30 June	109,700	171,500

9. PAYABLES

	2022 MUR	2021 MUR
Subscription received in advance	5,877,975	6,543,875
Other payables and accruals	272,327	249,674
	6,150,302	6,793,549

The carrying amounts of payables approximate their fair values.

10. OPERATING LEASE COMMITMENTS

Future minimum rental payable under operating leases as at 30 June 2022 were as follows:

	2022 MUR	2021 MUR
Within one year	307,478	616,380
After one year but not more than five years	-	-
	307,478	616,380

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

11. SUBSCRIPTION INCOME

Admission fees
Subscription fees
Rejected applications and duplicate certificate fees

2022	2021
MUR	MUR
1,322,000	1,806,000
9,886,000	9,060,000
44,000	33,000
11,252,000	10,899,000
(i) Professional accountants:	
Admission fees	990,000
Subscription fees	1,635,000
(see note (a) below)	6,860,000
	6,390,000
	7,850,000
(ii) Public accountants:	
Admission fees	170,000
Subscription fees	115,000
(see note (b) below)	702,000
	644,000
	872,000
(iii) Member firms:	
Admission fees	162,000
Subscription fees	56,000
(see note (c) below)	2,324,000
	2,026,000
	2,486,000
(iv) Rejected duplicate applications:	
	44,000
	33,000
Total subscriptions income	11,252,000
	10,899,000

(a) Number of professional accountants are analysed as follows:

Professional accountants:

Opening balance
New admission
New exempt admission
Less deregistered
Closing balance

2022	2021
Number	Number
3,442	3,530
330	545
10	21
(95)	(654)
3,687	3,442
Exempt members:	
Opening balance	(247)
New admission	(253)
Less deregistered	(10)
Closing balance	(21)
	-
	27
	(257)
	(247)
Total number of professional accountants excluding exempt members	3,430
	3,195

(b) Number of public accountants are analysed as follows:

Public accountants:

Opening balance
New admission
Less deregistered
Closing balance

2022	2021
Number	Number
322	341
34	23
(5)	(42)
351	322

(c) Number of member firms are analysed as follows:

Member firms:

Opening balance
New admission
Less deregistered
Closing balance

2022	2021
Number	Number
248	237
31	18
(8)	(7)
271	248

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

11. SUBSCRIPTION INCOME (CONTINUED)

At 30 June 2022, MIPA had 257 members (2021: 247) who were government official who have not paid their annual subscription.

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.

12. INCOME FROM TRAINING AND EDUCATION

Net income from training and education
Sale of IFRS books

2022	2021
MUR	MUR
189,000	337,910
390,000	325,000
579,000	662,910

13. OTHER INCOME

Other operating income

2022	2021
MUR	MUR
475,737	331,923

14. OTHER OPERATING EXPENSES

Subscriptions - PAFA
Subscriptions - IFAC
PAFA & IFAC conferences
Purchase of IFRS books
MIPA events
Printing, postage and stationery
Advertising
Other receivables written off
Pension expense

2022	2021
MUR	MUR
1,166,828	1,027,185
353,139	317,545
230,446	-
295,473	282,318
72,753	243,784
61,855	53,549
126,891	287,569
-	61,500
259,527	-
2,566,912	2,273,450

15. ADMINISTRATIVE EXPENSES

Salaries and related costs
Committee fees
Rent
Legal and professional fees
Electricity and telephone
Computer and related expenses
Depreciation of equipment
Insurance expense
Other administrative expenses

2022	2021
MUR	MUR
5,798,191	5,066,693
270,750	182,750
1,288,863	1,248,022
500,750	338,300
140,807	145,535
740,797	644,714
164,127	161,127
21,834	22,053
292,741	273,624
9,218,860	8,082,818

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

16. NET FINANCE INCOME

	2022 MUR	2021 MUR
Bank interest income	139,864	96,133
Net foreign exchange gains	-	1,845
	<u>139,864</u>	<u>97,978</u>

17. 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 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.

Cash and cash equivalents and receivables and (excluding subscriptions receivable, prepayments and part-payments for intangible assets) represent MIPA's maximum exposure to risk in relation to financial assets.

	2022 MUR	2021 MUR
Receivables (excluding subscriptions receivable, prepayments and part-payments for intangible assets)	226,322	215,334
Cash and cash equivalents	18,374,633	19,499,284
	<u>18,600,955</u>	<u>19,714,618</u>

The following represents ageing of receivables (excluding subscriptions receivable, prepayments and part-payments for intangible assets):

	Less than 1 year MUR	More than 1 year MUR	Total MUR
<u>2022</u>			
Receivables	226,322	-	226,322
<u>2021</u>			
Receivables	215,334	-	215,334

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

17. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk factors (Continued)

Liquidity risk (Continued)

The following represents ageing of payables (excluding subscriptions received in advance):

	Less than 1 year MUR	More than 1 year MUR	Total MUR
2022			
Payables	272,327	-	272,327
2021			
Payables	249,674	-	249,674

Currency risk

MIPA has financial assets 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 which are denominated in foreign currencies.

Currency profile

The currency profile of the Company's financial assets and liabilities is summarised as follows:

	2022		2021	
	Financial assets MUR	Financial liabilities MUR	Financial assets MUR	Financial liabilities MUR
Mauritian Rupee (MUR)	18,589,708	272,327	19,701,951	249,674
United States Dollar (USD)	11,247	-	12,667	-
	18,600,955	272,327	19,714,618	249,674

Prepayments, subscription receivables, prepayments and part payments for intangible assets amounting to **MUR 1,810,196** (2021: MUR 687,708) have not been included in financial assets. Subscription received in advance amounting to **MUR 5,877,975** (2021: MUR 6,543,875) have not been included in financial liabilities.

Sensitivity analysis

A 5% increase or decrease of MUR against the USD at the reporting date would increase or decrease the result for the year by the amounts shown below. The analysis assumes that all other variables remain constant.

	2022		2021	
	Effect on reserves MUR	Effect on surplus MUR	Effect on reserves MUR	Effect on surplus MUR
United States Dollar	562	562	633	633

17. FINANCIAL RISK MANAGEMENT (CONTINUED)**(a) Financial risk factors (Continued)***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 2022, MIPA did not have assets and liabilities measured at fair values since their carrying amounts are a reasonable approximation of fair value.

(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

	2022 MUR	2021 MUR
<i>Financial assets at amortised cost</i>		
Receivables (excluding subscriptions receivable, prepayments and part-payments for intangible assets)	226,322	215,334
Cash and cash equivalents	18,374,633	19,499,284
	<u>18,600,955</u>	<u>19,714,618</u>
<i>Financial liabilities at amortised cost</i>		
Payables (excluding subscription received in advance and advances for training)	272,327	945,395
	<u>272,327</u>	<u>945,395</u>

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.

18. 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 2022 was MUR 2,007,250 (2021: MUR 2,061,041)

19. CONTINGENCIES

At the reporting date, MIPA had no contingent liabilities (2021: Nil).

20. COVID - 19 PANDEMIC

In early 2020, the emergence of the Covid-19 (Coronavirus) pandemic has led to significant volatility and declines in the global markets. The board members are monitoring the evolving situation closely and evaluating its potential exposure. As at the end of the financial year 2022, the board members are uncertain how long this volatility will continue and to what extent, if any, it may impact the MIPA's operations.

21. EVENTS AFTER REPORTING PERIOD

There have been no material events since the end of the reporting period which would require disclosure or adjustment to the financial statements for the year ended 30 June 2022.