



Mauritius Institute of
Professional Accountants

ANNUAL REPORT

2023

BOARD MEMBERS

From July 2022 up to August 2022

Mr. Mohammad Sallah -Ud-Din Surfraz	Chairperson
Mr. Vivek Gujadhur	1st Vice-Chairperson
Mr. Mohammad Umar Quayyam Annowar	2nd Vice-Chairperson
Mr. Dwarka Soochit	Treasurer
Mr. Mervyn Lam Hung	Secretary

From September 2022 up to June 2023

Mr. Mohammad Sallah-Ud-Din Surfraz	Chairperson
Mrs. Valerie Carolle Wong Choi Wah	1st Vice-Chairperson
Mr. Piang Cheong Chin Koon Siw	2nd Vice-Chairperson
Mr. Dwarka Soochit	Treasurer
Mr. Mohammad Umar Quayyam Annowar	Secretary
Mr. Krishnanand Jeewon	Board Member

REGISTERED ADDRESS

Mauritius Institute of Professional Accountants (MIPA)
Suite 1104, 11th Floor, SIT Business Centre -
The CORE, 62, Cybercity, Ebene, Mauritius

AUDITOR

HLB Appavoo & Associates
Appavoo Business Centre 29,
Bis Mère Barthélemy Street Port Louis Republic of Mauritius

BANKER

ABC Banking Corporation Ltd	Duke of Edinburgh Avenue, Place d'Armes, 11328, Port Louis, Republic of Mauritius
Maubank Ltd,	25 Bank Street, Cybercity, Ebene 72201, Republic of Mauritius
Mauritius Commercial Bank Ltd	Sir William Newton Street, Port Louis, Republic of Mauritius
State Bank of Mauritius Ltd	SBM Tower 1, Queen Elizabeth II Avenue, Port Louis, Republic of Mauritius

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FINANCIAL YEAR 2022-2023

Chairman's Report

I am pleased, as Chairperson of the Mauritius Institute of Professional Accountants (MIPA), to present, on behalf of the Board, the Annual Report of MIPA for the period 01 July 2022 to 30 June 2023. Throughout the year, MIPA has steadfastly pursued its mission to elevate the accounting profession in Mauritius and beyond, achieving significant milestones in various areas.

A significant portion of our efforts this year has been directed towards **advocacy**. Our active engagement with stakeholders, government bodies, and international organisations underscores our commitment to representing the interests of the accounting profession. This proactive approach has led to productive interactions in various forums, enabling us to voice the concerns and perspectives of our members effectively. A highlight of our advocacy efforts was our election as the Southern Region Representative on the PAFA Board, further strengthening our position in the global accounting community.

Furthermore, our dedication to anti-money laundering (AML) measures has brought us recognition from IFAC for aiding Mauritius' removal from the FATF grey list. Our engagement in the IFAC Anti-Money Laundering Community of Practice is another manifestation of our commitment to driving discussions on AML/CFT developments across jurisdictions. These achievements reflect our unwavering commitment to upholding the highest standards of trust, ethics, and professionalism in the field of the accounting profession.

As we look ahead, our focus remains steadfast on advocacy. We will continue to engage with relevant local and international stakeholders to promote the interests of the accounting profession. Additionally, we aim to strengthen ties with global Professional Accountancy bodies.

FINANCIAL YEAR 2022-2023

Accomplishments in 2022-2023

1. Practising Certificate

The Rules governing the issue of Practising Certificates by MIPA were approved at the Special General Assembly of the MIPA held on Friday 24 February 2023. As such, accountants who offer services to the public will now apply directly to MIPA and no longer require Practising Certificates from their original PAOs.

By taking control of the issuance process, MIPA can exercise greater oversight and ensure that all certificate holders meet the necessary standards and uphold ethical principles, thus enhancing the profession's reputation.

2. Advocacy and Representation

MIPA represents the interests of the accounting profession in Mauritius and aims to actively engage with relevant stakeholders, including the government and regulatory authorities and international organisations. MIPA participated in various activities, including meetings, conferences, and consultations with international authorities such as IFAC and PAFA.

MIPA was admitted as an Associate Member of IFAC in 2007 and became a full IFAC Member in November 2016. More recently, in May 2023, MIPA was elected as Southern Region Representative on the PAFA Board at the PAFA Annual General Assembly held in Côte d'Ivoire.

MIPA participated in the Africa Congress of Accountants (ACOA) which took place in Abidjan, Ivory Coast on 15 – 18th May 2023 under the theme: Structural Transformation and Growth of African Economies. ACOA is a major event of the Pan African Federation of Accountants (PAFA). The event usually attracts over 1,500 delegates from Africa, America, Asia and Europe, and dozens of speakers who facilitate powerful dialogue.

3. AML/CFT

MIPA has recently been featured on the IFAC website This recognition comes as a result of MIPA's efforts in aiding Mauritius to be removed from the FATF grey list and furthering the advancement of anti-money

FINANCIAL YEAR 2022-2023

laundering measures. IFAC's acknowledgement highlights MIPA's dedication to upholding the highest standards of trust, ethics, and professionalism in the field of accounting.

Since June 2023, MIPA has also joined the board of the IFAC Anti-Money Laundering Community of Practice. This Community of Practice serves as a platform for engaging in meaningful discussions regarding updates and recent activities concerning AML/CFT in various jurisdictions. Additionally, it seeks to facilitate discussions on recent developments from the FATF (Financial Action Task Force).

The AML/CFT Unit of MIPA has also been conducting international trainings with representatives of Jordan, Lesotho and Saudi Arabia. This indicates that MIPA's expertise and understanding of anti-money laundering and countering the financing of terrorism measures is recognised internationally.

4. Member Services and Support

MIPA is focused on providing support and resources to its members, including networking opportunities, professional development events, and access to technical guidance.

- MIPA signed a Memorandum of Understanding (MoU) with the leading audit solutions provider, Caseware Africa in March 2023. This partnership aims to offer financial and non-financial incentives to encourage the adoption of technology among our members.
- MIPA renewed its Memorandum of Understanding (MoU) with the Institute of Chartered Accountants in England and Wales (ICAEW) on December 02, 2022, in Mauritius. The renewal of this MOU demonstrates the strengthening ties and further commitment of MIPA and ICAEW to work even more closely in developing education, training and continuing professional development, and the promotion of high professional standards.

5. Board Diversity

The Mauritius Institute of Professional Accountants (MIPA) takes great pride in announcing a significant stride towards fostering diversity and inclusivity within its leadership. We are delighted to share that for the financial year 2022-2023, MIPA welcomed a distinguished woman professional who brings her expertise and insights to our governing body. This appointment marks a moment of progress, highlighting MIPA's commitment to recognising and valuing the contributions of individuals from diverse backgrounds. The inclusion of a talented and accomplished female professional on our board not only enriches the perspectives within our decision-making processes but also reinforces the importance of gender parity in the realm of professional accountancy.

FINANCIAL YEAR 2022-2023

Ongoing Projects

1. Mauritius to host PAFA Annual General Assembly in 2024

MIPA is pleased to announce a momentous event for the accounting community. We are delighted to inform all stakeholders that the upcoming Annual General Assembly of the Pan African Federation of Accountants (PAFA) is scheduled to take place in Mauritius.

This significant gathering of accounting professionals, experts, and leaders from across the African continent marks an important milestone in our commitment to fostering collaboration, knowledge sharing, and the advancement of the accounting profession. As the premier organisation representing professional accountants in Mauritius, MIPA recognises the invaluable opportunity that hosting the PAFA Annual General Assembly presents for mutual growth and development.

MIPA, in partnership with various stakeholders, is dedicated to ensuring the seamless organisation of the PAFA Annual General Assembly. We anticipate that this event will not only strengthen ties within the African accounting community but also contribute to the ongoing evolution of the profession on a global scale.

2. MoU with the Institute of Chartered Accountants of India

MIPA is currently awaiting the approval of the Council of ICAI regarding the content of the MoU with ICAI. Once approved by the ICAI Council, the proposal will be sent to the Government of India to seek the approval of the Union Cabinet of India. The MoU should be finalised by October 2023.

3. Continuing Professional Development

In line with its commitment to fostering excellence and adaptability within the accounting profession, MIPA is poised to elevate its focus on Continuing Professional Development (CPD) in the coming years. As the accounting landscape continues to evolve in response to technological advancements, regulatory shifts, and dynamic market conditions, MIPA recognises the imperative of equipping its members with the latest knowledge and skills. In this regard, the institute is committed to enhancing the CPD framework, ensuring that it remains robust, relevant, and responsive to the ever-changing demands of the industry.

FINANCIAL YEAR 2022-2023

Looking ahead, MIPA envisions a CPD program that not only meets the mandatory requirements but also transcends them by delving into specialised areas that are poised to shape the future of accounting. As part of this strategic direction, MIPA is committed to incorporating a diverse array of hot topics into its CPD offerings. These topics are carefully selected to provide accountants with insights and proficiencies that will empower them to navigate emerging challenges and seize new opportunities. Among the anticipated hot topics for future training are blockchain technology integration into financial reporting, sustainable accounting practices in an era of heightened environmental consciousness, and the intricacies of tax harmonisation.

FINANCIAL YEAR 2022-2023

Overview of the year

Summary of Financial Results

Income

The subscription income decreased by MUR 288,000 this year, whilst members not in good standing have not been deregistered as MIPA will be deregistering all non-compliant members as from 01 October 2023.

Expenses

Operating expenses have increased by 97.8% this year. It is to be noted that there has been an increase in PAFA & IFAC Subscription fees and meetings in 2022/2023. Administrative expenses increased by 14.08% associated with the strengthening of our supervision team to better achieve our strategic goals and the cost for a full year of Portable Retirement Gratuity Fund was paid.

Surplus

The loss for the year amounted to MUR 1,323,395 as compared to a surplus of MUR 660,829 in the previous financial year. The surplus in 2021-22 was higher as there were more readmissions of members and no deregistration for 2022-23 but there was a number of members who have not paid their dues.

Cash and Cash Equivalent

MIPA's cash position is MUR 18.3 Million as compared to MUR 18.3 Million in 2021-22. These funds will be utilised to finance MIPA's ongoing and future projects.

Overseas mission

Month	Mission	Attendees
November 2022	World Congress of Accountants 2022, Mumbai, India	1. Mr. Mohammad Sallah-Ud-Din Surfraz 2. Mr. Dwarka Soochit
February 2023	2023 IFAC Chief Executives' Hybrid Forum, New York	3. Mr. Mohammad Sallah-Ud-Din Surfraz
May 2023	ACOA 2023, Abidjan	4. Mr. Mohammad Sallah-Ud-Din Surfraz 5. Mr. Dwarka Soochit

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Learning and Development

Date	Learning and Development Activities	Participants
13 th July 2022	Virtual Training on AML/CFT and UN Sanctions Act for the Accountancy Sector: A Comprehensive and Practical Training	Members
22 nd July 2022	ICC Outreach - Virtual Workshop on Introduction to the Virtual Asset Space - Legal Obligations	Members
16 th August 2023	Presentation on the activities of the International Accounting Standards Board (IASB)	Members
17 th and 24 th August 2022	Two full-day training on 3 Statement Model (Advanced Level)	Members
18 th August 2022	ICC Outreach - Virtual Workshop on `Enforcing the VAITOS Act`	Members
25 th August 2022	ISQM 1, ISQM 2 and ISA 220 Practical Implementation	Members
20 th and 27 th September 2022	Two full-day training on 3 Statement Model (Advanced Level)	Members
26 th September 2022	Obligations of Professional Accountants in Mauritius	Members
7 th October 2022	Presentation on 'Disrupting SME Financing through Debt Investment'	Members
25 th October 2022	Training on IFRS Updates	Members
04 th November 2022	ICC Outreach - Virtual Workshop on `Customer Due Diligence, Enhanced Due Diligence, Transaction Monitoring and Suspicious Transaction Reporting`	Members

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10 th November 2022	Virtual Training on Amendments brought in by Finance Act 2022 to the various Fiscal Laws	Members
14 th December 2022	ICC Outreach - Virtual Workshop on 'Roles of Compliance Officer and Money Laundering Reporting Officer and Beneficial Ownership'	Members
17 th February 2023	Virtual Informative Session on MIPA Practising Certificate	Members
21 st February 2023	Virtual Informative Session on MIPA Practising Certificate	Members
03 rd March 2023	ICC Outreach - Virtual Workshop on Virtual Asset/Virtual Asset Service Providers	Members
14 th March 2023	Training on IAS 19	Members
16 th March 2023	Obligations of Professional Accountants in Mauritius	Members
12 th May 2023	ICC Outreach - Virtual Workshop on Independent AML/CFT Audit	Members
05 th June 2023	Post-Budget Discussion Forum	Members
06 th June 2023	Training on IFRS Updates 2023	Members

Outlook

As we reflect on our accomplishments with a sense of pride, we remain attuned to the prospects and challenges that lie ahead for our field during this era of disruption and transformation. The emergence of new technologies

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and industries, alongside heightened expectations for our profession, will command the Institute's attention in the times to come.

To effectively tackle these forthcoming challenges and harness the opportunities they bring, MIPA will continue to strengthen its internal framework, streamlining operational processes, and enhancing its oversight mechanisms. These efforts will align with IFAC's Statement of Membership Obligations (SMOs) and ROSC recommendations, positioning us to navigate the future landscape with agility and foresight.

Acknowledgement

I want to end by thanking all my fellow Board members, Valerie Carolle Wong Choi Wah, Piang Cheong Chin Koon Siw, Mohammad Umar Quayyam Annower, Dwarka Soochit, and Krishnanand Jeewon, for their continued support to MIPA. The Board also acknowledges the efforts and commitment of the CEO, staff members and all stakeholders of MIPA.

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 2023.

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 2023 is shown on page 20. MIPA's loss for the year ended 30 June 2023 amounted to MUR 1,323,395 (2022: surplus MUR 660,829).

BOARD MEMBERS

MIPA is self-monitored by the profession in a transparent manner through its Board which consists of not more than seven members of the professional accountancy bodies specified in the Act and elected at the general assembly. The Board was re-constituted on Wednesday 21st September 2022 following the Annual General Assembly.

Board Meeting Attendance (July and August 2022)

Name	Position	Board Meeting Attendance
Mr. Mohammad Sallah -Ud-Din Surfraz	Chairperson	2/2
Mr. Vivek Gujadhur	1st Vice-Chairperson	2/2
Mr. Mohammud Umar Quayyam Annower	2nd Vice-Chairperson	2/2
Mr. Dwarka Soochit	Treasurer	2/2
Mr. Mervyn Lam Hung	Secretary	2/2

REPORT OF THE BOARD

Board Meeting Attendance (September 2022 and June 2023)

Name	Position	Board Meeting Attendance
Mr. Mohammad Sallah-Ud-Din Surfraz	Chairperson	9/9
Mrs. Valerie Carolle Wong Choi Wah	1st Vice-Chairperson	9/9
Mr. Piang Cheong Chin Koon Siw	2nd Vice-Chairperson	8/9
Mr. Dwarka Soochit Treasurer	Treasurer	9/9
Mr. Mohammud Umar Quayyam Annower	Secretary	9/9
Mr. Krishnanand Jeewon	Board Member	9/9

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.

The Board members confirm that they have complied with the above requirements in preparing the financial statements for the year ended 30 June 2023.

REPORT OF THE BOARD

AUDITOR


The auditor, HLB Appavoo & Associates, have been appointed as auditor during the year and have indicated their willingness to continue in office until the next Annual Meeting.



Mohammad Sallah Ud Din

Surfraz

Chairperson



Mohammud Umar Quayyam

Annower

Secretary

Date: 31.08.2023

PROFILE OF BOARD MEMBERS

Mr. Mohammad Sallah-Ud-Din Surfraz (Den), Chairperson

Mohammad Sallah-Ud-Din (Den) Surfraz 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 the Financial Services industry and his expertise is mainly in the areas of Financial Crimes investigations, Risk Management and Compliance. He has been an advocate of the profession for the last 10 years. Den is currently a Global Council Member of ACCA, Board member of the Pan African Federation of Accountants (PAFA) and is also a Board member of the Financial Reporting Council (FRC) of Mauritius.

He is presently the Market Head – Risk and Governance of TMF Group for the Middle East and Africa. His previous positions were with Butterfield Group as Head of Compliance for Mauritius, and 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).

Mrs. Valerie Carolle Wong Choi Wah, 1st Vice-Chairperson

Valerie is a seasoned financial services professional with over 18 years of audit and financial due diligence experience with KPMG Mauritius and KPMG Luxembourg, with a particular focus on the audit of financial services clients. She is up to date with the latest financial reporting developments and has led multi-disciplinary and multi-location international audit teams in Africa and in Europe.

She has led audit assignments as engagement manager/director since 2010 and has an excellent understanding of her clients' strategies and the financial reporting framework and timelines as she continuously interacts with the key stakeholders.

She also led the audit engagements of listed entities, Public Interest Entities, manufacturing and retail companies.

She had the opportunity to work on advisory projects including financial due diligence engagements on banks in Mauritius.

Mr. Piang Cheong Chin Koon Siw (Nick), 2nd Vice-Chairperson

Nick is a fellow of the Institute of Chartered Accountants in England and Wales and is currently the CFO of Cim Group. Prior to joining CIM, Nick was Head of Finance at ABC Banking Corporation Ltd and previously held senior roles at RBS Insurance, UK and Barclays Capital, UK. His experience in the financial sector spans more than 15 years.

PROFILE OF BOARD MEMBERS

Mr. Dwarka Soochit, Treasurer

Dwarka is a licensed Insolvency practitioner and licensed auditor 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 which is a member of Leading Edge Alliance. He has over 33 years of working experience in business consultancy relating to accounting, auditing and taxation issues and its legislative changes, manufacturing, retailers, investments and related professional practices.

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. He has also been the Secretary, Vice President and is currently the Treasurer of Mauritius Institute of Professional Accountants and is also a Board member of the Financial Reporting Council (FRC) of Mauritius.

Mr Mohammad Umar Quayyam Annowar, Secretary

Quayyam is a Fellow Member of the Institute of Public Accountants (IPA) from Australia and is also a legal 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 towards the welfare of the accountancy profession in Mauritius.

Mr. Krishnanand Jeewon, Board Member

Krishnanand is currently the Chief Operating Officer at Landscape (Mauritius) Ltd. He is a Chartered Global Management Accountant and holds a Master of Business Administration from the University of Birmingham. He has over 30 years of working experience in multiple industries, and local and global companies. His main areas of expertise are service delivery and operations management, operational excellence, cost optimization, financial management, F&A solutions, business work processes and controls. He also served as the President of the Mauritian Branch of the Chartered Institute of Management Accountants for a period of two years.

Independent Auditor's 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") set out on pages 19 to 39, which comprise the statement of financial position as at 30 June 2023, and the statement of profit or loss and other comprehensive income, statement of cash flows and statement of movement in accumulated surplus for the financial year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of MIPA as at 30 June 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) 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 Auditor's 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 Matter

The accompanying statement of financial position of **The Mauritius Institute of Professional Accountants** ("MIPA") for the year ended June 30, 2022, and the statement of profit or loss and statement of cash flows for the year then ended were audited by another auditor, who expressed an unmodified opinion on those statements on 25 August 2022.

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 auditor's 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.

h1b-mauritius.com

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HLB Mauritius is an independent member of HLB the global advisory and accounting network

Independent Auditor's report

To the members of THE MAURITIUS INSTITUTE OF PROFESSIONAL ACCOUNTANTS

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.

Auditor's 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 auditor's 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.
- Conclude on the appropriateness of 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, then we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause MIPA to cease to continue as a going concern.
- 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.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the operating activities within MIPA to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of MIPA audit. We remain solely responsible for our audit opinion.

Independent Auditor's report

To the members of THE MAURITIUS INSTITUTE OF PROFESSIONAL ACCOUNTANTS

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

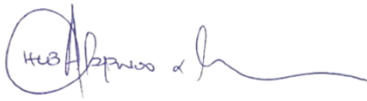
We communicate with board members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

- We have no relationship with, or any interest in, MIPA other than in our capacity as auditors and members 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.

Use of report

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



HLB Appavoo & Associates
Port Louis




Louis Clensy Appavoo, FCCA, ACA, MBA
Reporting partner
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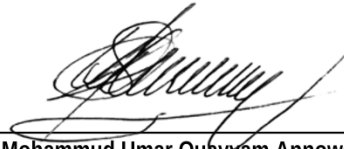
Date: **31.08.2023**...

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Notes	2023 MUR	2022 MUR
ASSETS			
Non-current assets			
Equipment	4	270,692	430,043
Intangible assets	5	2	2
Total non-current assets		270,694	430,045
Current assets			
Receivables	6	2,176,075	2,036,518
Cash and cash equivalents	7	18,366,436	18,374,633
Total current assets		20,542,511	20,411,151
Total assets		20,813,205	20,841,196
RESERVES AND LIABILITIES			
Reserves			
Accumulated surplus		13,257,799	14,581,194
Liabilities			
Non-current liability			
Gratuity on retirement	8	259,493	109,700
Current liability			
Payables	9	7,295,913	6,150,302
Total liabilities		7,555,406	6,260,002
Total reserves and liabilities		20,813,205	20,841,196

These financial statements have been approved for issue by the Board on 31st August 2023 and signed on its behalf by:


 Mohammad Sallah -Ud- Din Surfraz
 Chairperson


 Mohammad Umar Quayam Annawar
 Secretary

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 MUR	2022 MUR
Subscription income	11	10,964,000	11,252,000
Income from training and education	12	2,854,225	579,000
Other income	13	281,532	475,737
		14,099,757	12,306,737
Other operating expenses	14	(5,076,541)	(2,566,912)
Operating surplus		9,023,216	9,739,825
Administrative expenses	15	(10,491,776)	(9,218,860)
Net finance income	16	145,165	139,864
(Deficit) / surplus for the year		(1,323,395)	660,829
Other comprehensive income		-	-
Total comprehensive (loss) / income for the year		(1,323,395)	660,829

The notes from pages 23 to 39 form an integral part of these financial statements.

STATEMENT OF MOVEMENT IN ACCUMULATED SURPLUS FOR THE YEAR ENDED 30 JUNE 2023

	Accumulated surplus
	MUR
At 01 July 2021	13,920,365
Surplus for the year	660,829
Other comprehensive income	-
At 30 June 2022	14,581,194
Deficit for the year	(1,323,395)
Other comprehensive income	-
At 30 June 2023	13,257,799

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 MUR	2022 MUR
Cash flows from operating activities			
(Deficit) / surplus for the year		(1,323,395)	660,829
<i>Adjustment for:</i>			
Depreciation of equipment	4	212,075	164,128
Bank interest income	16	(145,165)	(139,864)
Movement in gratuity on retirement	8	149,793	(61,800)
Operating (deficit) / surplus before working capital changes		(1,106,692)	623,293
Movement in receivables		(139,557)	(1,133,476)
Movement in payables		1,145,611	(643,247)
Bank interest income received	16	145,165	139,864
Net cash generated from / (used in) operating activities		44,527	(1,013,566)
Cash flows from investing activities			
Acquisitions of equipment	4	(52,724)	(111,085)
Net cash used in investing activities		(52,724)	(111,085)
Net movement in cash and cash equivalents		(8,197)	(1,124,651)
Cash and cash equivalents at beginning of the year		18,374,633	19,499,284
Cash and cash equivalents at end of the year	7	18,366,436	18,374,633

The notes from pages 23 to 39 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 Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the following new and revised standards and interpretation issued by the IASB became mandatory for the financial year beginning on 01st July 2022:

IFRS 17

The IASB issued 'Amendments to IFRS 17' to address concerns and implementation challenges that were identified after IFRS 17 'Insurance Contracts' was published in 2017.

IFRS 1

The IASB issued 'Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)' with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements.

IAS 8

The IASB issued 'Definition of Accounting Estimates (Amendments to IAS 8)' to help entities to distinguish between accounting policies and accounting estimates.

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 01st July 2023, or later periods, but which MIPA has not early adopted.

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

Amendment to IFRS 16 – Leases on sale and leaseback

These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

Effective date of IFRS 16 - 01st January 2024

Amendment to IAS 1 – Non-current liabilities with covenants

These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

Effective date of IAS - 01st January 2024

Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements

These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

Effective date of IAS 12 - 01st January 2024

Where relevant, MIPA 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 MIPA 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.

2.6 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 market place.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Financial instruments (Continued)

2.6.1 Receivables (Continued)

(b) Recognition and measurement (Continued)

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 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.

2.6.2 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 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Financial instruments (Continued)

2.6.4 Derecognition (Continued)

(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.

2.6.5 Impairment

Impairment of financial assets

MIPA recognises loss allowances for ECL on:

- Financial assets measured at amortised cost.

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;

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Financial instruments (Continued)

2.6.5 Impairment (Continued)

Impairment of financial assets (Continued)

Credit-impaired financial assets (Continued)

- the restructuring of a loan or advance by MIPA on terms that 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.

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 MIPA has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Retirement benefit obligations (Continued)

(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.

2.8 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Provisions (Continued)

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.

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 members 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

The board members have 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.

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.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION (CONTINUED)

(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 members.

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 2023

4. EQUIPMENT

	Office equipment	Computer equipment	Furniture and fittings	Total
	MUR	MUR	MUR	MUR
Cost or valuation:				
At 01 July 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
Additions	21,570	-	31,154	52,724
At 30 June 2023	241,498	766,400	716,562	1,724,460
Depreciation:				
At 01 July 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
Charge for the year	6,518	149,341	56,216	212,075
At 30 June 2023	224,018	700,806	528,944	1,453,768
Net book value:				
At 30 June 2022	2,428	214,935	212,680	430,043
At 30 June 2023	17,480	65,594	187,618	270,692

5. INTANGIBLE ASSETS

	Database management software and website	Accounting software licence	Total
	MUR	MUR	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 2023

6. RECEIVABLES

	2023	2022
	MUR	MUR
Subscription receivables	5,000	124,000
Prepayments	967,075	855,262
Advances	262,233	226,322
Interest receivable	110,833	-
Part-payments for intangible assets	830,934	830,934
	<u>2,176,075</u>	<u>2,036,518</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) 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

	2023	2022
	MUR	MUR
Cash	8,366,436	18,374,633
Fixed Deposit with bank	10,000,000	-
	<u>18,366,436</u>	<u>18,374,633</u>

The fixed deposit was taken on 15th September 2022 for a period of 12 months with an interest rate of 1.40% per annum.

8. GRATUITY ON RETIREMENT

	2023	2022
	MUR	MUR
At 01 July	109,700	171,500
Charge / (release) to income statement	149,793	(61,800)
At 30 June	<u>259,493</u>	<u>109,700</u>

9. PAYABLES

	2023	2022
	MUR	MUR
Subscription received in advance	6,847,075	5,877,975
Other payables and accruals	448,838	272,327
	<u>7,295,913</u>	<u>6,150,302</u>

The carrying amounts of payables approximate their fair values.

10. OPERATING LEASE COMMITMENTS

Future minimum rental payable under operating leases as at 30 June 2023 were as follows:

	2023	2022
	MUR	MUR
Within one year	716,618	307,478
After one year but not more than five years	-	-
	<u>716,618</u>	<u>307,478</u>

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 2023

11. SUBSCRIPTION INCOME		2023	2022
		MUR	MUR
Admission fees		1,152,000	1,322,000
Subscription fees		9,776,000	9,886,000
Rejected applications and duplicate certificate fees		36,000	44,000
		10,964,000	11,252,000
(i) Professional accountants:	Admission fees	655,000	990,000
	Subscription fees	5,518,000	6,860,000
	(see note (a) below)	6,173,000	7,850,000
(ii) Public accountants:	Admission fees	395,000	170,000
	Subscription fees	2,028,000	702,000
	(see note (b) below)	2,423,000	872,000
(iii) Member firms:	Admission fees	102,000	162,000
	Subscription fees	2,230,000	2,324,000
	(see note (c) below)	2,332,000	2,486,000
(iv) Rejected duplicate applications:		36,000	44,000
Total subscriptions income		10,964,000	11,252,000
(a) Number of professional accountants are analysed as follows:		2023	2022
		Number	Number
Professional accountants:	Opening balance	3,687	3,442
	New admission	230	330
	New exempt admission	15	10
	Less deregistered	(24)	(95)
	Less to be deregistered	(222)	-
	Closing balance	3,686	3,687
Exempt members:	Opening balance	(257)	(247)
	New admission	(15)	(10)
	Less deregistered	3	-
	Closing balance	(269)	(257)
Total number of professional accountants excluding exempt members		3,417	3,430
(b) Number of public accountants are analysed as follows:		2023	2022
		Number	Number
Public accountants:	Opening balance	351	322
	New admission	35	34
	Less deregistered	(10)	(5)
	Less to be deregistered	(9)	-
	Application approved in July	(11)	-
	Closing balance	356	351

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

11. SUBSCRIPTION INCOME (CONTINUED)

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

		2023	2022
		Number	Number
<i>Member firms:</i>	Opening balance	271	248
	New admission	26	31
	Less deregistered	(2)	(8)
	Closing balance	295	271

At 30 June 2023, MIPA had 269 members (2022: 257) 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

	2023	2022
	MUR	MUR
Net income from training and education	2,854,225	189,000
Sale of IFRS books	-	390,000
	2,854,225	579,000

13. OTHER INCOME

	2023	2022
	MUR	MUR
Other operating income	281,532	475,737

14. OTHER OPERATING EXPENSES

	2023	2022
	MUR	MUR
Training and education	1,774,152	-
Subscriptions - PAFA	1,387,441	1,166,828
PAFA & IFAC conferences	1,162,435	230,446
Subscriptions - IFAC	420,180	353,139
MIPA events	249,033	72,753
Printing, postage and stationery	50,375	61,855
Advertising	32,925	126,891
Purchase of IFRS books	-	295,473
Pension expense	-	259,527
	5,076,541	2,566,912

15. ADMINISTRATIVE EXPENSES

	2023	2022
	MUR	MUR
Salaries and related costs	6,737,250	5,798,191
Rent	1,384,945	1,288,863
Legal and professional fees	933,709	500,750
Computer and related expenses	842,803	740,797
Other administrative expenses	227,814	292,741
Depreciation of equipment	212,075	164,127
Electricity and telephone	145,852	140,807
Insurance expense	7,328	21,834
Committee fees	-	270,750
	10,491,776	9,218,860

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

16. NET FINANCE INCOME	2023	2022
	MUR	MUR
Bank interest income	145,165	139,864
	<u>145,165</u>	<u>139,864</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 members oversee 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 members do 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.

	2023	2022
	MUR	MUR
Receivables (excluding subscriptions receivable, prepayments and part-payments for intangible assets)	373,066	226,322
Cash and cash equivalents	18,366,436	18,374,633
	<u>18,739,502</u>	<u>18,600,955</u>

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

	Less than 1 year	More than 1 year	Total
	MUR	MUR	MUR
<u>2023</u>			
Receivables	373,066	-	373,066
<u>2022</u>			
Receivables	226,322	-	226,322

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 members are satisfied that it has the resources to meet the resulting obligations.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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	More than 1 year	Total
	MUR	MUR	MUR
2023			
Payables	448,838	-	448,838
2022			
Payables	272,327	-	272,327

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:

	2023		2022	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	MUR	MUR	MUR	MUR
Mauritian Rupee (MUR)	18,619,312	448,838	18,589,708	272,327
United States Dollar (USD)	9,357	-	11,247	-
	18,628,669	448,838	18,600,955	272,327

Prepayments, subscription receivables, prepayments and part payments for intangible assets amounting to **MUR 1,798,009** (2022: MUR 1,810,196) have not been included in financial assets. Subscription received in advance amounting to **MUR 6,837,075** (2022: MUR 5,877,975) 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.

	2023		2022	
	Effect on reserves	Effect on surplus	Effect on reserves	Effect on surplus
	MUR	MUR	MUR	MUR
United States Dollar	468	468	562	562

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 2023, 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 imposed capital requirements.

(d) Categories of financial instruments

	2023	2022
	MUR	MUR
<i>Financial assets at amortised cost</i>		
Receivables (excluding subscriptions receivable, prepayments and part-payments for intangible assets)	373,066	226,322
Cash and cash equivalents	18,366,436	18,374,633
	<u>18,739,502</u>	<u>18,600,955</u>
<i>Financial liabilities at amortised cost</i>		
Payables (excluding subscription received in advance and advances for training)	448,838	272,327
	<u>448,838</u>	<u>272,327</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 2023 was MUR 1,861,625 (2022: MUR 2,007,250)

19. CONTINGENCIES

At the reporting date, MIPA had no contingent liabilities (2022: Nil).

20. EVENTS AFTER REPORTING PERIOD

Following the COVID-19 pandemic and Russia – Ukraine war, MIPA conducted an assessment to evaluate the impact on its going concern status and the risks that they may have on its operations, both internal and external. It was concluded that both events did not have any significant impact on the Company's business, which could impair its going concern.

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