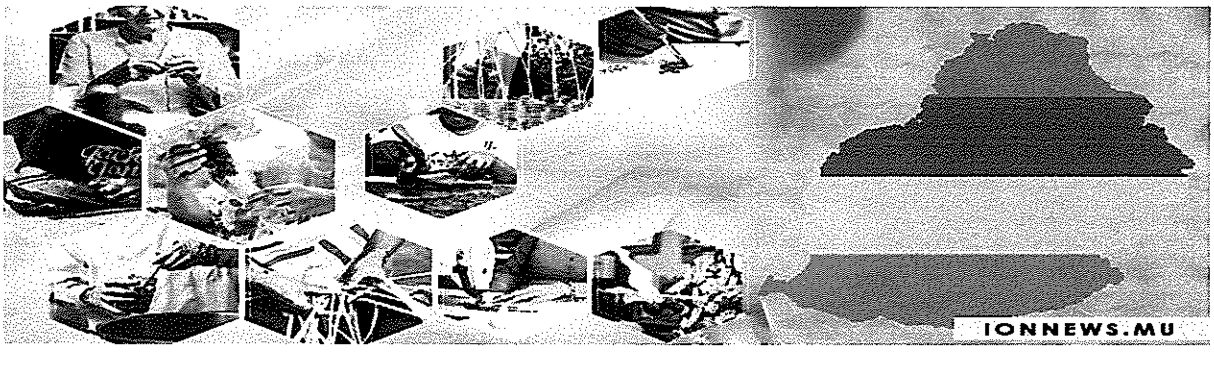
SME MAURITIUS LTD
ANNUAL REPORT
2022/2023



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Corporate Profile

SME Mauritius Ltd ('Company' or 'SME Mauritius') is a state-owned private company that acts as main SME support institution in Mauritius.

Vision
To be as the driving force behind a thriving, innovative, resilient and sustainable SME.

Mission

- to develop Entrepreneurship at national levels.
- implement advisory and support programs.
- improve the market readiness and resilience of SMEs.
- constantly promote and support an inclusive SME eco-system for shared prosperity

Goals
To constantly improve the contribution of the SME sector to GDP and employment.

Core Values

- Efficiency
- Quality
- Integrity
- Transparency

Structure
SME Mauritius is structured into two main sections, namely Operations and Corporate services.

Operations include Business Support Services which is responsible for advisory services, schemes facilitation, outreach and training.

Corporate services include Administration, Finance, Procurement, Human Resources, Governance and I.T.

Chairman's Statement

On behalf of SME Mauritius Board of Directors, I am honoured to present the Company's Annual Report for the year 2022-2023 which has been duly approved by the Board of Directors of SME Mauritius Ltd.

2022-23 has been a prominent one for SME Mauritius in that there are clear signs that the institution is delivering in the way stakeholders expect. With the help of dedicated employees and the Board of Directors, the company is evolving into a fully functional organisation delivering on its promise and ambition.

We will, on our side, continue to engage with our stakeholders and government to ensure that the frameworks and policies are appropriate and valid to ensure that the SME sector develops to its full potential for the sake of the Mauritian economy. We will ensure that we share view and ideas and where necessary recommend changes and stronger measures for further improvement.

SME Mauritius has executed our shared vision of an increasing vibrant SME sector for mutual economic gain and progress during the financial year 2022/2023.

I would like to thank the management and staff of SME Mauritius for their hard work and dedication to our mission. We recognise that without their individual input, the results presented today would not have been possible.

Bissoonauth

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Mr Virendra Kumar Bissoonauth
Chairman

CEO Review

I am honored to present the Annual Report of SME Mauritius for the financial year 2022-2023.

Whether in Mauritius or in Rodrigues, the SME Mauritius Team, has once again surpassed itself in its efforts to help SMEs as they focused on putting the trauma of COVID 19 behind them. It has been a humbling experience witnessing the ingenuity, courage and innovative spirit of Entrepreneurs as they tried to regain lost time and markets. This was truly an impressive fight for survival and their determination is understandable. After all, Entrepreneurs have indeed, over the years, invested themselves fully in their business and it is their pride.

SME Mauritius could only have acknowledged their efforts and determination by a corresponding level of empathy, resolve and efficiency. And this is how SME Mauritius responded. Our constructive actions and positive attitude have been visible throughout. We have multiplied our efforts for our SMEs ensuring they get the required level of attention and support throughout the island as well as Rodrigues. It was with equal pride that we took notice the level of customer acceptance and appreciation of our services whether on Capacity Building, Schemes or Other Support Services.

I thank each and every Member of the SME Mauritius team for their hard work and applaud their excellent delivery despite the difficulties of the moment. Our achievements compel us to keep improving on our efforts for the betterment of the entrepreneurial support eco-system.

To end, I wish to place on record the continuous support and encouragement of the Chairman and each Board Member of SME Mauritius. We would not have been able to deliver to that level had it not been for the valuable contribution and proposals of Members of our Board. We are very grateful to each one of them for their forward looking guidance.

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Mr Rabin Rampersad
CEO

INTRODUCTION

SME Mauritius, is a state-owned private company and it strongly believes in complying with the National Code of Corporate Governance 2016. The Board is committed to ensure that good governance principles are entrenched within the Company and are reflected in all its business activities.

This corporate governance report sets out how the National Code of Corporate Governance (2016) ("the Code") principles have been applied by the Company and provides explanations for deviations wherever applicable.

PRINCIPLE ONE - GOVERNANCE STRUCTURE

Governance Framework and Responsibilities

Governance refers to the framework of rules, relationships, systems and processes by which an enterprise is directed, controlled and held to account and whereby authority within an organisation is exercised and maintained.

The Board of SME Mauritius assumes responsibility for setting strategic orientations, overseeing financial matters, corporate governance, risk management, internal control and compliance issues. The Board takes its fiduciary responsibilities seriously and fulfils its duties and responsibilities as defined by the Companies Act 2001.

The Board has approved guiding documents, policies, and Board/Committee Charters and job descriptions of senior governance positions which are available on the Company's website.

The Board ensures that the key governance positions within the organisation are matched with corresponding accountabilities.

Key Governance Positions

- **Chairman of the Board**

The Chairman of the Board is responsible for the activities of the Board and its committees and, as such, ensures effective implementation of Board decisions. He presides over meetings of the Board, is the principal contact for the Executive team and Shareholders and acts as spokesman for the Board.

The Chairperson of the Board is **Mr. Virendra Kumar Bissoonauth.**

- **Chairpersons of Sub-Committees**

The Chairpersons of the sub-committees work in close cooperation with and provide support and advice to the Chairman of the Board. The Board has constituted three (3) Committees, namely, (i) Audit and Risk Committee; (ii) Corporate Governance and Ethics Committee; and (iii) HR and Finance Committee.

- ➢ Mrs. Hilda Chelmiah is the Chairperson of the Audit and Risk Committee.
- ➢ Mr. Raj Kishore Bunjun is the Chairman of HR & Finance Committee; and Corporate

Governance & Ethics Committee.

- **The Company Secretary**

The Company Secretary is appointed by the Board and the role of the Company Secretary is to ensure that Board Members have the proper advice and resources for performing their duties to shareholders under the relevant legal frameworks. The Company Secretary is also responsible for organization and coordination of the Board and Committee meetings, and ensuring that the records, or minutes of those meetings, reflect the proper exercise of those duties.

The Company Secretary is Prime Partners Ltd (since incorporation).

Other Key Governance Positions

- **Chief Executive Officer ('CEO')**

The CEO of SME Mauritius has the authority and responsibility to manage the overall operations and resources of the Company. He acts as main point of contact between the Board and Management and is responsible developing the longer-term vision and strategy for the Organisation. He is in charge of developing annual business plans, budgets and monitors its implementation. The CEO reports directly to the Board and whenever required. Members of the senior Management team attend Board meetings on matters falling under their responsibility.

The Chief Executive Officer is **Mr. Rabin Rampersad.**

Other Senior Management Positions

- **Head, Corporate Services**

The Head, Corporate Services leads all the support functions of the Company that enable effective performance, namely Administrative, Finance, Human Resources, Procurement & Supply and IT along with Health, Safety compliance and Governance.

The Head, Corporate Services is currently **Mr. Alain Chung Fa.**

- **Head, Business Support Services**

The Head, Business Support Services leads the business support functions of the Organisation.

The Head, Business Support Services is presently **Mr. N. K. Ashraf Boodhoo.**

PRINCIPLE TWO - STRUCTURE OF THE BOARD AND ITS BOARD COMMITTEES

Board Size and Composition

The Board of SME Mauritius is unitary and of reasonable size. Board Members possess the right mix of skills and experience to provide leadership, reflect integrity and make the right judgment in managing the affairs of the Company.

The Board currently consists of ten (10) directors as shown below: -

Existing Directors	Role	Date of Appointment	Category
Mr. Bissoonauth Virendra Kumar	Chairman	Appointed as Director and Chairman on 09 July 2021	Independent Non-Executive
Mr. Raj Kishore Bunjun	Director	Appointed on 28 July 2022	Non-Executive
Mr.Proag Sanjeet Heman	Director	Appointed on 09 July 2021	Independent Non-Executive
Dr.Ramdenee Drishtysingh	Director	Appointed on 17 July 2017	Non-Executive
Mr.Webb James Michael	Director	Appointed on 09 July 2021	Independent Non-Executive
Mrs. Sewnath Maya	Director	Appointed on 10 December 2021	Independent Non-Executive
Mrs. Chelmiah Hilda	Director	Appointed on 15 May 2022	Non-Executive
Mr. Dhoorundhur Chaitt Ravi	Director	Appointed on 22 June 2022	Non-Executive
Mr.Bagtaraze Koonbeeharry	Director	Appointed on 16 November 2022	Independent Non-Executive
Mr. Belall Ehmmad Hussain Rumjaun	Director	Appointed on 05 September 2023	Non-Executive
Directors who served during the year ended 30 June 2023 and ceased to be Directors as of date			
Mrs. Jaunbocus Marie Anne Janick	Director	Appointed on 27 December 2021 Ceased on 28 July 2022	Non-Executive
Mr. Gangaram Sanjiv	Director	Appointed on 11 February 2020 Ceased on 16 November 2022	Non-Executive
Dr. Ismaël Yousouf	Director	Appointed on 09 July 2021 Ceased on 05 September 2023	Non-Executive

All the Directors are residents of Mauritius. Board Members of SME Mauritius are not Directors of Listed Companies.

Board Diversity

The Code provides that all organisations should have Directors from both genders. The Board acknowledges the requirement for gender representation in its membership. As such, Mrs Hilda Chelmiah and Mrs Maya Sewnath form part of the Board of SME Mauritius as Non-Executive Directors.

Executive Director
There is currently no Executive Director on the Board of SME Mauritius. The Composition of the Board is approved by the sole Shareholder.

Non- Executive Directors
Non-Executive Directors constructively challenge and help develop proposals on strategy, review the performance of management in attainting goals and objectives and monitor the reporting of performance.

Director's Independence Review
In accordance with the Code, there are currently five Independent Non-Executive Directors on the Board, including the Chairman.

The senior Management team is in attendance during deliberations of the Board, whenever required to answer on business matters and functions under their purview.

Board Meetings

During the year under review the Board met seven times. Decisions were also taken by way of written/circular resolutions signed by all Directors. Below is a list of the main issues discussed at these meetings: -

- Financial Matters such as Budgets and Audited Financial Statements;
- Tenders relating to operational matters:
- Reconstitution of Board Committees;
- HR Matters:
- Review of Reports from the Audit and Risk Committee, HR and Finance Committee and Corporate Governance Committee; and
- Progress on Schemes (SME Employment Schemes, Training Programs, Networking and Outreach, Communication and Media).

Board Attendance

The attendance of the Directors at the Board Meetings of the Company during the year ended 30 June 2023 was as follows: -

Existing Directors	Board Meetings
Mr. Bissoonauth Virendra Kumar	6/7
Mr. Raj Kishore Bunjun	4/6
Mr. Belall Ehmmad Hussain Rumjaun	0/0
Mr. Proag Sanjeet Heman	5/7
Dr. Ramdenee Drishtysingh	4/7
Mr. Webb James Michael	7/7
Mrs. Sewnath Maya	6/7
Mrs. Chelmiah Hilda	5/7
Mr. Dhoorundhur Chaitt Ravi	7/7
Mr. Bagtaraze Koonbeeharry	4/4

Directors who served during the year ended 30 June 2023 and ceased to be Directors as of date	
Mrs. Jaunbocus Marie Anne Janick	1/1
Mr. Gangaram Sanjiv	1/3
Dr. Ismaël Yousouf	6/7

Board Committees

The Board of SME Mauritius has constituted three Board committees, to allow closer monitoring of the affairs of the Company. The three committees are the Audit & Risk Committee, the HR and Finance Committee and the Corporate Governance & Ethics Committee.

SME Mauritius deliberations and decisions all reported back to the Board for validation.
The Board and Board Committee charters are reviewed on a regular basis.

Audit & Risk Committee

The Audit & Risk Committee is governed by a Charter which has been approved by the Board and is available on the website of SME Mauritius.

The duties of the Audit & Risk Committee include amongst others: -

- Examining and reviewing the quality and integrity of the financial statements and interim reports of the Company including its annual report;
- Ensuring compliance with International Financial Reporting standards and legal requirements;
- Keeping under review the effectiveness of the Company's systems of internal control, including internal financial control and business risk management and maintaining effective internal control systems;
- Considering and making recommendations to the Board, to be put to shareholders for approval at the Annual Meeting of Shareholders, in relation to the appointment, re-appointment and removal of the Company's External Auditor;
- Making recommendations to the Board as it deems appropriate, on any area within its remit where action or improvement is needed.

In performing its function, the Audit & Risk Committee meets the external auditors and where necessary without the presence of Management.

During the year under review the Committee met once to consider the Annual Report and Audited Financial Statements for the Year ended 30 June 2022.

Members and Attendance

The attendance of the Members at the Audit and Risk Committee Meetings of the Company during the year ended 30 June 2023 was as follows: -

Members	Audit and Risk Committee
Mrs. H. Chelmiah- Chairperson	1/1

Mr. S. H. Proag – Member	1/1
Dr. D. Ramdenee – Member	0/1

HR and Finance Committee

The HR and Finance Committee is governed by a Charter which has been approved by the Board and is available on the website of SME Mauritius.

The duties of the HR and Finance Committee include, amongst others, the following: -

- To determine, agree and develop the company's general policy pertaining to remuneration, recruitment and promotion of employees;
- To review the terms and conditions of service of employees;
- To give employees any encouragement to enhance the company's performance and to ensure that they are fairly, but responsibly rewarded;
- To determine any benefits in kind, annual bonuses, performance-based incentives, share incentives, pensions and other benefits to be paid to employees;
- To ensure transparency when recruiting and promoting or when providing any such benefits to employees;
- To ensure that all vacancies shall be filled on basis of merit, performance, experience, seniority and qualification;
- To determine the training and redeployment programme;
- To optimize Human Resource employment within the Company, including the rotation of staff;
- Assess and review the annual budget and such extra-budgetary provisions of the Company, as may be applicable and recommend same to the Board for approval;
- Assess, review and make recommendations to the Board on significant capital expenditure proposals;
- Review treasury management of the Company; and
- Undertake reviews of the Company's financial status on a regular basis, including reviews of quarterly reports, reviews of financial processes and new procedures, and financial implications of new schemes and activities.

During the year under review the Committee met one time. Below is a list of the main issues discussed at these meetings: -

- Reviewing and recommending recruitments;
- Reviewing and recommending Tender awards;
- Review of pertinent HR and Finance matters.

Members and Attendance

The attendance of the Members at the HR and Finance Committee Meetings of the Company during the year ended 30 June 2023 was as follows: -

Existing Members	HR and Finance Committee
Mr. R. K. Bunjun - Chairman	1/1
Dr. D. Ramdenee - Member	1/1
Mr. S. H. Proag - Member	1/1

Corporate Governance Committee

The Corporate Governance Committee is governed by a Charter which has been approved by the Board and is available on the website of SME Mauritius.

The duties of the Corporate Governance Committee include, amongst others, the following:

- Advise the Board on all aspects of corporate governance and to recommend the adoption of best practices as appropriate for the company;
- Determine, agree and develop the company's general policy on corporate governance in accordance with the applicable Code of Corporate Governance;
- Prepare the corporate governance report to be published in the company's annual report, ensure that disclosures are made in the annual report in compliance with the disclosure provisions in the Code of Corporate Governance and liaise with the Board in relation to the preparation of the committee's report to shareholders, as required;
- Report any breach of the Code to the Board of the Company for action to be taken; and
- Review the terms and conditions of the Board, Sub-Committees, Chairman, Chief Executive Officer/Managing Director and clearly demarcate the lines of responsibilities.

During the year under review the Committee met once to consider the Annual Report and Corporate Governance Report for financial year ended 30 June 2022.

Members and Attendance

The attendance of the Members at the Corporate Governance Committee Meeting of the Company during the year ended 30 June 2023 was as follows: -

Existing Members	Corporate Governance Committee
Dr. Y. Ismael – Chairman	1/1
Mr. S. H. Proag - Member	1/1
Mrs. M. Sewnath – Member	1/1

The Corporate Governance Committee is presently constituted as follows:

- Mr. R. K. Bunjun - Chairman
- Mr. S. H. Proag - Member
- Mrs. M. Sewnath - Member

Profiles of the current Directors

Mr. Bissoonauth Virendra Kumar (Chairman), is currently the Chief Information Officer of Mauritius Telecom. He holds a Bachelor's degree in Computer Science from Acadia University, Canada, and a Master's in International Management (MIM) from the University of Phoenix, USA. He has held various senior positions in the private sector, locally and internationally, and acted as consultant for various projects worldwide. He has 32 years' experience in the ICT sector. His work includes pioneering and managing complex IT solution designs and cloud-based applications.

Mr Raj Kishore Bunjun, is currently the Permanent Secretary at the SMEs Division of the Ministry of Industrial Development, SMEs and Cooperatives. He has served in several important Ministries, of which the Ministry of Blue Economy, Marine Resources, Fisheries and Shipping, the Ministry of Health and Quality of Life, the Ministry of Energy and Public Utilities, the Ministry of Public Infrastructure, Land Transport and Shipping and the Ministry of Agro Industry, Food Production and Security.

Mr. Bunjun holds a BA (Hons) in Economics with Mathematics from the Panjab University (India), an MBA from the University of Delhi and a Diploma in Computer Software and Data Processing.

He has served on the Board of several parastatal bodies and government owned entities.

Mr. Proag Sanjeet Heman, is presently the director of Inotura Ltd and pursuing a Bachelor's degree in Surveying & Mapping Sciences at East London University. He has held various positions such as Farm Coordinator at Ananas Victoria Ltd and Technical Officer at Proagrow Ltd, and acted as a supervisor in various projects. He has 7 years of working experience in the agricultural sector, including managing greenhouse operations and maintenance.

Dr. Ramdenee Drishtysingh, is currently serving as the Secretary-General of the Mauritius Chamber of Commerce and Industry (MCCI) since 3 July 2023. He previously held the position of Director at the Economic Development Board of Mauritius, responsible for strategic development, investments, exports, and emerging sectors. Dr Ramdenee also served as Interim CEO of the Mauritius Institute of Biotechnology and is associated with various boards and councils. With an engineering background specializing in mechanical and aerodynamic engineering, he has undertaken numerous notable projects in Canada, focusing on industrial maintenance, energy efficiency, and innovation.

Mr. Webb James Michael is currently the Executive Managing Director of English Bay Co. Ltd which he founded in 1993. He has knowledge in all entrepreneurial activities related to food business including the setup, the conception, the manufacturing, and the Marketing of fast moving consumer goods (FMCG).

He has been in contact for over 30 years with leaders and Directors of conglomerates in the Private and the Public Sector. He has been member of the Georges Charles Foundation since 1997 and has been President of this NGO from 2018 till 2020.

Mrs. Sewnath Maya, is currently the CEO and Managing Director of SSS Furniture Co Ltd and is the Director of Creative Woodwork Ltd and Satya Marketing Ltd. She is also the Vice President of SME Chambers Mauritius, Member of the Association Des Femmes Mauriciennes Chef D'entreprises and holds an MBA (General) and BSc (H) in Entrepreneurial Management. She has wide knowledge in entrepreneurship activities.

Mrs. Chelmiah Hilda, is an Analyst/ Senior Analyst at Ministry of Finance, Economic Planning and Development. She holds an MSc in Finance and Investment and a BSc in Finance. She started her career in the private sector prior to joining the Mauritius Revenue Authority in 2016 as Customs Officer. In her current role, Mrs Chelmiah is actively involved in budget preparation and policy formulation for the Government, more particularly, provides strategic support to the industrial development and SMEs sector. She is also the secretary of the National Resilience Fund and acts as the focal point for the 'Guichet Unique,' which is an initiative of the Ministry of Finance, Economic Planning and Development to assist the business community. She also serves as a member on the board of the Saint Antoine Planters Cooperative Trust and the National Cooperative College.

Mr. Dhoorundhur Chaitt Ravi, is currently employed as Advisor at the SMEs Division of Ministry of Industrial Development, SMEs and Cooperatives (SMEs Division). He is an IT professional with extensive experience in the administration and support of network operating systems. He has expertise in the areas of configuration of operating systems and applications, design and implementation of new computer network topology, active directory and Data Server Management and access control system configuration and monitoring among others. He has a Diploma for IT Users and is a Cisco Certified Network Associate (CCNA).

Mr. Koonbeeharry Bagtaraze holds a School Certificate. In 1978, he received professional training at Ecole Hoteliere Sir Gaetan Duval. He has over 20 years' experience in the tourism and hospitality sector, having also worked in Comores and in Dubai. He was the Human Resource and Transport Coordinator at Choytours Co. Ltd from 1996 to 2014. From 2015 to 2020, he was Advisor in Cooperative Matters at the Ministry of Business Enterprise and Cooperatives and Deputy Officer-in-Charge at Mauritius Fishermen Cooperative Federation.

Mr. Belall Rumjaun is currently employed as an Advisor on Project Management at the Ministry of Agro Industry and Food Security. He has a strong background in management especially in Human Resource Management. Mr. Rumjaun holds a Bachelor of Commerce with focus on Management.

Profiles of Directors who resigned during the year

Mrs. Jaunbocus Marie Anne Janick, is currently the Permanent Secretary at the Ministry of Education, Tertiary Education, Science and Technology. She was appointed Permanent Secretary in January 2017.

Mrs Jaunbocus has more than 30 years of experience in the field of public administration having served at senior management level, in different ministries and on Boards of numerous parastatal organisations.

She is an Associate Member of the Institute of Chartered Secretaries and Administrators and holds a Graduate Diploma in Administrative Leadership and a Master's in Public Policy and Management.

Mr. Gangaram Sanjiv, is the Owner and Director of Smart Brokers Ltd (Insurance Broker). He holds a Certificate in Management and Marketing and has 27 years of experience in the Insurance and Marketing sectors.

Dr Ismaël Yousouf, was the Secretary-General of the Mauritius Chamber of Commerce and Industry (MCCI). In his previous role, he provided strategic leadership for the Chamber, seeks to expand its regional and international networks, engaged in advocacy on diverse issues and contributes to the economic development of the country.

He has previously served as Chief Executive Officer of the Central Water Authority, Global Finance Mauritius, as well as Head Strategy and Commercial for the St Aubin Group. Furthermore, Dr Ismaël Yousouf has acted as the Chief Group Economist for the British American Investment Group of Companies and has provided management and strategic coaching to major private and public companies in Mauritius.

Dr Ismaël Yousouf, holds a Postdoctoral in Economics, a PhD in Economics, a M.Sc. in Development Economics and Planning and a BSc in Agricultural Development Economics from the University of Reading, UK.

Profiles of Senior Management Team

Mr. Rabin Rampersad, Chief Executive Officer, has spent much of his career at senior management positions in the private sector both locally and abroad. He has successfully evolved in Operations, Strategy, Business Re-engineering and International Business. Mr. Rampersad holds a Masters degree in Business Administration, a Masters in Marketing and Innovation, is a Chartered Manager, a Chartered Marketer, a Fellow of the Chartered Management Institute, and a fellow of the Chartered Institute of Marketing. He has served on the Board of several private and public sector companies.

Mr. Alain Chung Fa, Head Corporate Services, started his career in the public service in 1990 and worked his way up to become Head Corporate Services. He holds a Bachelor degree in Business Administration. He reckons some twenty years of proven experience at senior management positions.He has also acted as Officer-in-Charge of the organisation on several occasions and as Board Secretary.

Directorships in other Companies

Directors	Companies	Type
Mr. Bissoonauth.Virendra Kumar	None	None
Mr. Raj Kishore Bunjun	Previously served as Board Member of state owned enterprises such as National Transport Corporation, National Transport Authority, Mauritius Shipping Corporation Limited	Board Member
Dr Ismaël Yousouf	Industrial Financial Corporation of Mauritius	Board Member
	Custos Services Ltd	Director
Dr Ramdenee Drishtysingh	None	None
Mr. Proag Sanjeet Heman	Inotura Ltd	Director
Mr. Webb James Michael	English Bay Co. Ltd	Managing Director
Mrs. Sewnath Maya	SSS Furniture Co Ltd	Managing Director
	Creative Woodwork Ltd	Director
	Satya Marketing Ltd	Director

Mrs. Chelmiah Hilda	Saint Antoine Planters Cooperative Trust (SAPCT)	Board Member
Mr Dhoorundhur Chaitt Ravi	None	None
Mr.Bagtaraze Koonbeeharry	None	None

PRINCIPLE THREE - DIRECTOR APPOINTMENT PROCEDURES

Appointment of Directors

The appointment of Directors of SME Mauritius is subject to a predetermined process governed by the Companies Act. Being a state-owned enterprise, the Board of Directors is constituted by the only shareholder, namely the Government of Mauritius.

In accordance with its Charter, the Corporate Governance Committee, ensures that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment and an induction pack. The proposed appointee is required to disclose both current and potential business interests that may result in a conflict of interest.
The Board of SME Mauritius considers its succession very carefully and assumes responsibility for succession planning.

Professional Development

Directors are encouraged to keep themselves updated with industry practices, trends, practices and standards. As and when required or requested, or as a result of the requests during the Board evaluation exercise, SME Mauritius organises workshops and arranges for training of Directors.

PRINCIPLE FOUR- DIRECTOR DUTIES, REMUNERATION AND PERFORMANCE

Legal Duties

All Directors of SME Mauritius are aware of their legal duties.

Code of Ethics

SME Mauritius has adopted an appropriate Code of Ethics for Directors, which is published on the Company's website.

Conflict of Interest

Board Members have a fiduciary duty to conduct themselves without conflict of the interests. In their capacity as Board Members, they subordinate personal individual business, third-party and other interests to the welfare and best interests of SME Mauritius. The Company ensures that Directors declare any interest and report to the Chairman and Company Secretary any related party transactions. A register of conflict of interests is kept by the Company Secretary and is available to shareholders upon written request to the Company Secretary.

All conflict of interest and related-party transactions are conducted in accordance with the Code of Ethics.

Information, IT and Information Security Governance
The Board of Directors of SME Mauritius ensures that appropriate resources are allocated for the implementation of an information and IT security framework. The Company has adopted an IT Management policy which provides for the principles and recommended practices to achieve strategic goals identified and as approved by the Company's Board. The policy covers all the information assets held by SME Mauritius including emails and social media. SME Mauritius is committed to apply and enforce Data Privacy Laws.

Directors & Officers Liability Insurance
SME Mauritius has subscribed for a Directors & Officers Liability Insurance policy in respect of legal action or liability that can arise against its Directors and Officers. The cover does not provide insurance against fraudulent, malicious or wilful acts or omissions.

Board Evaluation Process
SME Mauritius is in the process of establishing a system of Board appraisal to assess the effectiveness and performance of the Board and sub-committees.

As of 30 June 2023, the Board and Board Committees have not carried out a formal documented evaluation. However, the respective Chairpersons undertake continual appraisal discussions on a regular basis with the members of the Board and Board Committees with a view to improving the overall effectiveness in decision making and governance.

Statement of Remuneration Philosophy
The Directors are remunerated for their knowledge, experience and insight. The remuneration policy is to reward the collective contribution of Directors towards achievement of the Company's objectives. The Directors' remuneration in similar companies is used as a guide to Directors' remuneration. The total fees earned by Directors during the year under review, are as follows: -

Directors Classification	Remuneration (Rs)
Non-Executive Directors	2,856,500
Executive Directors	Nil

Director's Remuneration - Year 2022-2023

SN	Name	Amount - Rs
1	Mr Bissoonauth Virendra Kumar	600,000/-
2	Mr. Raj Kishore Bunjun	256,600/-
3	Mrs Chemiah Hilda	267,500/-
4	Dr. Ramdenee Drishtysingh	240,000/-
5	Mr Webb James Michael	240,000/-
6	Mr. Koonbeeharry Bagtaraze	150,000/-
7	Mr Proag Sanjeet Heman	265,500/-
8	Mr Dhoorundhur Chaitt Ravi	240,000/-

9	Mrs Sewnath Maya	240,000/-
10	Dr. Ismaël Yousouf	240,000/-
11	Mr. Gangaram Sanjiv	97,000/-
12	Mrs Jaunbocus Marie Anne Janick	20,000/-
	Total	**2,856,500/-**

The above Directors have not received remuneration in the form of share options or bonuses associated with the Company's performance.

PRINCIPLE FIVE - RISK GOVERNANCE AND INTERNAL CONTROL

Risk Governance
The Board of Directors has ultimate responsibility for risk management and internal control and remains ultimately responsible for the setting up of a risk management framework, overseeing the implementation and subsequent monitoring, determining the risk culture and providing management with leadership and guidance. The Audit & Risk Committee is mandated by the Board to oversee all risk management and internal control issues. The task of implementing a robust system of risk management has been delegated to the Executive Team.
The Board evaluates the strategic, financial, compliance and operational risks of SME Mauritius on a regular basis.

Assurance on risk management processes
The Board relies on Management and the External Auditors to report on any weaknesses and to make recommendations via the Audit & Risk Committee, the objective being to ensure the effective and efficient use of available resources and ascertaining the accuracy of information used in the preparation of financial statements.

The External Auditors report directly to the Board on identification of deficiencies noted in internal processes and controls, compliance issues and any material misstatements noted in the financial reports.

The principal risks faced by the Company relate to risks of not achieving stated targets, poor facilitation and customer service, reputational risks, Governance and Integrity risks and Crisis Management risks. Management has put in place a series of protocols defining how risks can be managed and mitigated.

Financial Risk Factors
Please refer to note 4 of the Notes to the Financial Statements.

Whistle-blowing rules and procedures
For any suspicious or illegal transactions or behaviour, officers and directors are encouraged to lodge reports promptly Audit and Risk Committee (in the absence of a Money Laundering Reporting Officer) as per the Financial Intelligence and Anti Money Laundering Act and Prevention of Corruption Act.

Due Diligence Exercise
SME Mauritius ensures that it conducts a due diligence exercise for each and every project, for which grants are committed.

PRINCIPLE SIX - REPORTING WITH INTEGRITY

The Board of SME Mauritius is responsible for the preparation of the annual report and accounts that fairly represent the state of affairs of SME Mauritius, the results of its operations and that they comply with International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and the Companies Act. Likewise, the Board has the responsibility for selecting appropriate accounting policies based on reasonable and prudent judgements. The annual report comprises an overview/structure and history of SME Mauritius, the financial statements, risk report, and profile of the senior management team.

The Board of SME Mauritius considers that the annual report and accounts, taken as a whole, are fair and balanced and provide the necessary information for shareholders and other key stakeholders to assess the Company's position, performance and outlook. The annual report is posted on the website.

No donations were made during the year under review. Further, in view to minimise carbon emissions, e-filings, e-mails, scanning of documents and electronic file sharing are being heavily encouraged.

PRINCIPLE SEVEN – AUDIT

Internal Audit
The role of Internal Audit is to provide independent and objective assurance to management and the Board of Directors through the Audit & Risk Committee. The Board agrees that owing to its current size and scale, the Company does not require the setting up of an Internal Control and Audit function. Provision will be made in case the Company requires the services of an Internal Auditor/Controller anytime in the future.

External Audit
The Company has re-appointed the National Audit Office as external auditors for the financial year ended 30 June 2023 against a fee of Rs 250,000/-.

The Audit & Risk Committee ensures that the external auditor is rotated at least every 7 years.

Meeting with Audit & Risk Committee
The Board or any member thereof, including members of the Committee, the External Auditors may call further meetings to discuss financial statements of the Company, the audit approach, the accounting principles and critical policies to be adopted.

PRINCIPLE EIGHT - RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

Share Capital Structure

The holding structure of SME Mauritius Ltd as at 30 June 2023 was as follows: -

Name of Shareholder	Number of Shares (Ordinary)	Percentage Holding (%)
Government of Mauritius	250	100

Dividend Policy

The Board has not established a formal dividend policy.

Relations with Shareholder

SME Mauritius Ltd interacts with key stakeholders of the SME ecosystem through the holding of working groups, sectoral groups, Stakeholders meetings, educational sessions and regular meetings to discuss issues of common interest.

The organisation regards the Government of Mauritius as its controlling party and has disclosed at Note 23, the Financial Statements, and the Related Party Transactions for the period under review in accordance with IAS 24 (Related Party Disclosures). The related party transactions for SME Mauritius Ltd for the period under review include:

(a) Grants (Operational and Capital Expenditure and Schemes) of Rs 248 million from Government; and

(b) Fees paid to Board Members for an amount of Rs2,856,500/-.

Calendar of Important Events

The following is a schedule of important events:-

Date	Important Events
30 June	Financial Year End
31 December	Approval of Accounts and Annual Meeting of Shareholders

Statement of Compliance
(Section 75 (3) of the Financial Reporting Act)

Name of Company: SME Mauritius Ltd
Reporting period: 30 June 2023

Throughout the year ended 30th June 2023 to the best of the Board's knowledge SME Mauritius Ltd has complied with the Corporate Governance Code for Mauritius (2016).

SME Mauritius Ltd has applied all of the principles set out in the Code and explained how these principles have been applied.

Signed on behalf of the Board of Directors:

Mr Virendra Kumar Bissoonauth	**Mrs Hilda Chelmiah**
Chairman	**Director**

SME MAURITIUS – KEY ACHIEVEMENTS FOR FINANCIAL YEAR 2022-23

1.0 Introduction

The post Covid buildup to regain normalcy continues and most Entrepreneurs are still battling hard to re-establish more secure business bases and regain lost time. The uncertain environment is not helping and as they all scramble to attain similar rebuilding objectives, competition is set to intensify further, thereby the need for adequate responses from institutions. SME Mauritius has responded again by closely assisting SMEs in their reconstruction efforts throughout this difficult period with its close support services, grants and continuous follow up.

2.0 Progress on Schemes

The number of applications over the period 2020-2021 to 2022-2023 has increased from 676 to 896, or an increase of 32% while grants approved have increased from Rs 30m to Rs 51.4m, representing an increase of 71%. The cumulative turnover of the beneficiaries is Rs 2.18bn while they supported and contributed CSG for 3,591 employees. Table below summaries the progress on Schemes over the last three crucial years of spanning COVID and its aftermath:

	2020-21	**2021-22**	**2022-23**
Beneficiaries	676	812	896
Grant Approved	Rs 30m.	Rs 44.9m.	Rs 51.4m
Cumulative Turnover	Rs 2.3 Bn	Rs 2.8 Bn	Rs 2.18 Bn
No of FT Employees	4111	3062	3591

2.1 Breakdown by Category and Turnover

The breakdown of beneficiaries by category and by Turnover shows that Micro and Small SMEs still represent the larger share of beneficiaries at 92% of all grants allocated. This pattern commendably reflects the success of the inclusiveness agenda, as in previous years with the larger share of grants flowing to micro SMEs. The extension of the schemes to Rodrigues with even smaller units has added to the pattern. This imbalance, though, will need to be corrected during the coming years.

SME Type	**2022-2023**
Micro	72%
Small	20%
Medium	8%

2.2 Breakdown by Sector

The breakdown of beneficiaries by sector of activity shows that, as last year, Manufacturing is by far the largest beneficiary, followed by Services, Construction and Agro-Agri business.

Sector	**Beneficiaries**	**%**
Manufacturing	493	55
Services	193	20
Construction	83	15
Agro-Agri Business	127	10
Total	**896**	**100**

2.3 Breakdown by Sub-Sector of Activity

The breakdown into sub-sectors provides more evidence of the large span of economic activity SMEs cover as well as the attractiveness and relevance of the Schemes of SME Mauritius to the main sub-sectors of the Mauritian economy.

	SUB-SECTORS	NO:	%
1.	Manufacturing (Foods & Foodstuffs)	250	28
2.	Services (Others)	183	20
3.	Design / Construction/Job Contracting	127	14
4.	Manufacturing (Apparel & Textiles)	110	12
5.	Plantation/Mixed Farming/Aquaculture	93	11
6.	Manufacturing Handicraft	57	6
7.	Light Engineering	30	3
8.	Manufacturing (Printing)	30	3
9.	Manufacturing (Furniture)	12	2
10.	Manufacturing (Jewelry)	4	1

3.0 SME Employment Scheme

The SME Employment Scheme has been of major help to SMEs since its introduction in 2018. As of end June 2023, 617 young people were in placement on the Scheme of which 64% were Graduates and the remaining 36% Diploma holders. A further breakdown reveals that, as last year a majority of all places, namely some 74% of all placees were young women.

	Degree	%	Diploma	%
Male	145	36%	58	26%
Female	252	64%	162	74%
Total	**397**		**220**	**617**

4.0 Training

Training is at the very basis of sustainable SMEs. is a key component of In order to sustain Entrepreneurship, be it for prospective Entrepreneurs or established ones. A total of 956 prospective Entrepreneurs have been trained in both Management and diverse crafts and skills courses as below:

Courses	Number of Trainees
Business Management	**209**
Crafts and Skills	**747**
Total	**956**

The amount disbursed during the year 2022/2023 on schemes is as follows:

	Schemes	No. of Beneficiaries	Disbursements: 2023 (Rs)	No. of Beneficiaries	Disbursements : 2022 (Rs)
1	SME Employment	734	121,142,295	862	138,224,036
2	SME Support	1,030	48,088,664	1100	42,926,150
3	National Entrepreneur Campaign	N/A	3,430,483	N/A	1,366,662
	Total	**1,764**	**172,661,442**	**1,962**	**182,516,848**

Grant Approval Committee (GAC)

As at 30 June 2023, the Grants Approval Committee (GAC) was constituted of constituted of 3 Directors of the Board of SME Mauritius Ltd, of whom (i) a Representative of the parent Ministry (as chairperson) Ministry of Industrial Development SMEs and Cooperatives and (ii) a Representative from the Ministry of Finance Economic Planning and Development.

Other members from SME Mauritius Ltd are:

(i) The CEO
(ii) The Head of Business Services
(iii) 3 Members of Technical Staff with first-hand information of all files to be presented and a Secretary

Only Members of the Board have a right to vote. The fees payable per sitting are Rs 3,500 for the Chairman, and Rs 2,500 to each other Member.

Total fees paid to GAC Members for the period under review, namely 1 July 2022 to 30 June 2023, was Rs 170,000 (2022 – Rs130,000).

Board of Directors

The Directors who served the Company during the year from 01 July 2022 to 30 June 2023 were as follows:-

SN	Name	Position	Appointed	Ceased
1.	Mr BISSOONAUTH Virendra Kumar	Director and Chairman	09/07/2021	-
2.	Dr ISMAEL Yousouf	Director	09/07/2021	05/09/2023
3.	Mr. PROAG Sanjeet Heman	Director	09/07/2021	-
4.	Dr. RAMDENEE Drishtysingh	Director	17/07/2017	-
5.	Mr. GANGARAM Sanjiv	Director	11/02/2020	16/11/2022
6.	Mr. WEBB James Michael	Director	09/07/2021	-
7.	Mrs. SEWNATH Maya	Director	10/12/2021	-
8.	Mrs. CHELMIAH Hilda	Director	15/05/2022	-
9.	Mr. DHOORUNDHUR Chaitt Ravi	Director	22/06/2022	-
10.	Mr BUNJUN Raj Kishore	Director	28/07/2022	-
11.	Mr. KOONBEEHARRY Bagtaraze	Director	16/11/2022	-
12.	Mrs JAUNBOCUS Marie Anne Janick	Director	27/12/2021	28/07/2022
The newly appointed Directors who served the Company after the year ended 30 June 2023 are as follows:				
1.	Mr. RUMJAUN Belall Ehmmad Hussain	Director	05/09/2023	-

Corporate Data

Registered office	SME Mauritius Ltd 3rd Floor, Pope Hennessey Building, 25 Pope Hennessey Street, Port Louis
Secretary	Prime Partners Ltd 3rd Floor, 113/114 Medine Mews Building La Chaussée Port Louis
Auditors	National Audit Office 14th Floor, Air Mauritius Building John Kennedy Street Port Louis
Banks	SBM Bank Mauritius Ltd SBM Tower 1 Elizabeth II Avenue Port Louis Maubank 25 Bank Street Ebene Cybercity

Board's Report

The Board of Directors is pleased to present the financial statements of SME Mauritius Ltd for the year ended 30 June 2023.

PRINCIPAL ACTIVITY

The main objective of the Company is to facilitate and support the development of entrepreneurship and the enhancement of the SME eco-system in Mauritius.

RESULTS FOR THE PERIOD

The Statement of Profit and Loss for the year ended 30 June 2023 is shown on Page 39 of the Audited Financial Statements.

DIVIDENDS

The Board does not recommend the payment of any dividend.

DIRECTORS' SERVICE CONTRACTS

None of the Directors proposed for re-election at the Annual Meeting of Shareholders has service contracts.

DIRECTORS' REMUNERATION

Remuneration and benefits received and receivable from the Company were as follows: -

	2022/2023	2021/2022
	Rs	Rs
Executive Directors	0	0
Non-Executive Directors	2,856,500	2,640,711
	2,856,500	2,640,711

DIRECTORS' SHARE REGISTER

The Directors hold no share of the Company whether directly or indirectly.

DONATIONS

No donation was made by the Company for the period ended 30 June 2023.

AUDITOR'S REMUNERATION

The fees payable to the Auditors, National Audit Office, for audit services for the year ended 30 June 2023 amount to Rs250,000.

Board's Report (Cont'd)

Board's responsibilities in respect of the financial statements

Company law requires the Board of Directors to prepare financial statements for each financial year which fairly present the financial position, financial performance and the cash flows of the Company.

The Board of Directors is also responsible for keeping accounting records which:

- correctly record and reflect the transactions of the Company;
- disclose with reasonable accuracy at any time the financial position of the Company;

The Board of Directors confirm that they have complied with the above requirements in preparing the financial statements.

Auditors

The National Audit Office has been appointed Auditor for the Company and have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual Meeting.

This report was approved by the Board of Directors on 21st November 2023

Bissoonauth

Mr Virendra Kumar Bissoonauth
Chairman

Chelmiah

MrsHilda Chelmiah
Director

Date: 21st November 2023.

Secretary's Certificate for the financial year ended 30 June 2023

We confirm that, based on the records and information made available to us by the Directors and Sole Shareholder of the company, the company has filed with the Registrar of Companies, all such returns as are required by the Company in terms of Section 166(d) of the Companies Act 2001, except for the Annual Report and Audited Financial Statement for year ended 30 June 2023. The Annual Report and Audited Financial Statements for the year ended 30 June 2023, is now being filed.

....

Prime Partners Ltd
Corporate Secretary
Per G. Bullyraz

Date:..................

AUDITORS' CERTIFICATE

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SME MAURITIUS LTD

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	NOTES	2023 Rs	2022 Rs
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	7	46,768,385	45,458,867
Intangible Assets	8	1,556,188	1,573,785
Loan Advances	11	-	451,786
		48,324,572	47,484,438
Current Assets			
Inventories	12	-	1,149,577
Receivables	13	789,081	2,917,575
Cash and Cash Equivalents	10	26,196,995	20,768,180
		26,986,076	24,835,332
TOTAL ASSETS		**75,310,648**	**72,319,769**
EQUITY AND LIABILITIES			
EQUITY			
Share Capital		25,000	25,000
Accumulated Fund		5,962,276	7,972,123
TOTAL EQUITY		**5,987,276**	**7,997,123**
Non-Current Liabilities			
Pension Liabilities	9	9,320,505	10,861,093
Payables	14	1,040,000	1,040,000
		10,360,505	11,901,093
Current Liabilities			
Payables	15	47,177,161	47,958,406
Deferred Income	24	11,785,705	4,463,148
		58,962,866	52,421,553
TOTAL LIABILITIES		**69,323,371**	**64,322,646**
TOTAL EQUITY AND LIABILITIES		**75,310,648**	**72,319,769**

Approved by the Board of Directors on 21st November 2023 and signed on its behalf by:

on 21st November 2023.

Mr Virendra Kumar Bissoonauth
Chairman

Mrs Hilda Chelmiah
Director

SME MAURITIUS LTD

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

	Notes	2023 Rs	2022 Rs
Revenue			
Government Grants	16	246,200,000	240,400,008
Other Income	17	2,799,108	1,547,060
		248,999,108	241,947,068
Expenses			
Staff Costs	18	(40,741,296)	(38,837,751)
Administrative & other expenditures	19	(26,208,725)	(22,457,308)
Project support	20	(174,576,649)	(184,509,901)
Depreciation	7&8	(9,410,905)	(8,600,607)
Finance costs		(315,552)	(201,668)
Total Expenses		(251,253,128)	(254,607,234)
Deficit for the year		(2,254,019)	(12,660,166)
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit pension plan		244,173	(2,237,780)
Total Comprehensive Loss for the year		(2,009,846)	(14,897,946)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	2023 Rs	2022 Rs
CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES		
Deficit for the year	(2,009,846)	(14,897,946)
Adjustments for:-		
Depreciation	9,410,905	8,600,607
Received from SICOM for loss electronic items	-	(83,610)
OPERATING SURPLUS/(DEFICIT) BEFORE WORKING CAPITAL CHANGES	7,401,059	(6,380,949)
(Increase) / Decrease in Inventories	1,149,577	41,406
(Increase) / Decrease - Trade and other receivables	2,128,495	(2,441,307)
Increase / (Decrease) - Trade and other payables	6,541,312	(12,079,854)
(Increase) / Decrease in Pension Plan Liabilities	(1,540,588)	3,102,914
NET CASH GENERATED/(USED IN) OPERATIONS	15,679,854	(17,757,790)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of Property, Plant and Equipment	(10,331,374)	(9,592,977)
Acquisition of intangible assets	(371,450)	(547,860)
Received from SICOM for loss electronic items	-	83,610
Repayment of loan	451,786	
NET CASH FLOWS FROM INVESTING ACTIVITIES	(10,251,038)	(10,057,227)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	5,428,815	(27,815,017)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	20,768,180	48,583,198
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 10)	26,196,995	20,768,180

Notes to the Cash Flow Statement

(a) Cash and Cash Equivalents

Cash and Cash Equivalents consist of cash in hand and balance at bank. Cash and Cash Equivalents included

	2023 Rs	2022 Rs
Cash at bank	**26,192,304**	**20,764,344**
Cash in hand	**4,691**	**3,836**
	26,196,995	**20,768,180**

SME MAURITIUS LTD

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

OPENING BALANCES FOR LAST YEAR 30 JUNE 2022

	Rs	*Rs*	*Rs*
Balance at 1 July 2021	25,000	22,870,069	22,895,069
Amount transferred from Masmed Funds	-	-	-
Surplus/(Deficit) for the year	-	(12,660,166)	(12,660,166)
Other Comprehensive loss	-	(2,237,780)	(2,237,780)
Balance as at 30 June 2022	25,000	7,972,123	7,997,123

FOR THE YEAR ENDED 30 JUNE 2023

	Stated Capital	Retained Earnings	Total
	Rs	*Rs*	*Rs*
Balance at 1 July 2022	25,000	7,972,123	7,997,123
Surplus/(Deficit) for the year	-	(2,254,019)	(2,254,019)
Other Comprehensive profit		244,173	244,173
Balance as at 30 June 2023	25,000	5,962,276	5,987,276

1. GENERAL INFORMATION

1.1 Corporate Information

SME Mauritius Ltd is a private company with liability limited by shares and wholly owned by the Government of Mauritius.

The financial statements of SME Mauritius Ltd for the year ended 30 June 2023 were authorised for issue in accordance with a resolution of the Board on 21st November 2023.

The office of SME Mauritius Ltd is located at Pope Hennessy Building, 25 Pope Hennessy Street, Port Louis.

2. BASIS OF PREPARTION AND NEW ACCOUNTING STANDARDS

2.1 Basis of preparation

SME Mauritius Ltd (The Company) has prepared its financial statements in accordance with International Financial Reporting Standards ("IFRS") and the interpretation of these standards as issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these annual financial statements. These statements have been prepared on historical cost basis, apart from financial assets and liabilities (which are recognized at fair value) and the valuation of the Retirement benefit obligation. These financial statements are presented in Mauritian Rupees, being the reporting and functional currency, and rounded off wherever appropriate.

The financial statements have been prepared for a period of twelve months on a going concern basis and the accounting policies have been applied consistently.

The accounting policies adopted for the current year are consistent with those of the previous financial period except that SME Mauritius Ltd has adopted new/revised standards and mandatory interpretations for the financial years beginning on or after 1 July 2020. The effects of these are stated below:

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may vary from these estimates. Information about significant areas of estimated variations and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in Note 3 provided below.

2.2 Adoption of New and Revised International Financial Reporting Standards

In the current period, the Company has applied all the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for the accounting period beginning on or after 1 July 2020.

2.3 New standards and amendments

The following standards and interpretations applied for the first time to financial reporting periods commencing on or after 1 January 2020 and are currently applicable to the Company:

The Company has assessed the relevance of the standards, interpretations and amendments to existing standards published and mandatory for accounting periods beginning after 01 July 2020 and which the Company has not adopted earlier. The conclusion is that these changes will not impact significantly on the financial statements for the year ended 30 June 2023.

2.3.1 Amendments to IAS 1- Presentation of the Financial Statements and IAS 8 Accounting Policies, Change in Accounting Estimates and Errors – Definition of Material.

The amendments clarify that materiality depends on the nature or magnitude of information, or both. An entity will need to assess whether any information, whether individually or jointly with other information, is material in the context of the financial statements. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition. The amendments are applied prospectively for annual period beginning on or after 1 January 2020, with earlier application permitted.

SME Mauritius Ltd anticipates that the application of the amendments will not have any material impact on its financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Significant Accounting Policies

3.1.1 Revenue recognition

3.1.1 (i) Grants

Revenue represents grants disbursed by Government and channelled through the Ministry of Industrial Development, SMEs and Cooperatives. Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Grants received from the Government and other institutions to finance the recurrent expenditure is recognized in the same period of expenditure in the Income and Expenditure account on a systematic basis over the periods in which the related costs are recognised as expenses and any unused balance is transferred to the Capital Fund.

3.1.1 (ii) Fees from training

Other income represents fees for courses and other capacity building activities necessary for the furtherance of the Institution's goals.

These fees are recognized at the time of receipt and on an accrual basis and to the extent that it is highly probable that significant reversal in the amount of cumulative revenue recognised will not occur.

3.1.1 (iii) Fees from trade fairs

Other income also includes fees received from provision of stalls at trade fairs and other such marketing events organised by SME Mauritius Ltd.

The fees are recognized at the time of receipt and on an accrual basis.

3.1.2 Expenditure

All expenses have been accounted for on accrual basis. The expenditure is classified in accordance with the nature of the expense.

3.1.2 (i) Staff costs

Remuneration to staff in respect of the services rendered during the reporting period is expensed in that reporting period.

3.1.2 (ii) Short term Employee Benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leaves and sick leaves in the period the related service is rendered at the undiscounted amount of benefits expected to be paid in exchange for that service.

3.1.2 (iii) Pensions and other post-employment benefits

SME Mauritius contributes to two pension plans; a Defined Benefit plan for the ex SMEDA employees who joined SME Mauritius at its inception and a Defined Contribution plan for new recruits thereon.

Defined Benefit Scheme

SME Mauritius Ltd contributes to a Defined Benefit plan for some of its Employees. Pension is payable to eligible employees upon retirement / death / termination of employees under provisions of the Statutory Bodies Pension Fund Act 1978 (as amended).

The assets are held independently and administered by SICOM Ltd which recognises recommendations of independent qualified actuaries as per IAS 19: Employee Benefits.

For defined pension benefit plans, the pension costs are assessed using the projected unit credit method. Actuarial gains and losses are charged to Other Comprehensive Income. Current and Past service costs are recognised in the Income and Expenditure account. Net interest is recognised in the Profit and Loss account. The pension obligation is measured at the present value of the estimated future cash outflow using interest rates of government securities which have terms to maturity approximating the terms of the related liability.

Re-measurements of the net defined benefit liability or asset, the effect of changes in the asset ceiling where applicable, and the return on the plan assets other than interest, are recognised in other comprehensive income in the period in which they arise.

SME Mauritius Ltd recognises gains and losses in the Income and Expenditure account on the settlement of a defined benefit plan when the settlement occurs.

The Defined Benefit pension plan is partly funded by the Company (10.1%) and employees (6%).

Defined Contribution Scheme

SME Mauritius also contributes to a Defined Contribution pension scheme for employees who joined the Company on a substantive post as from 1st November 2020.

The Defined Contribution plan is a plan under which the Company pays fixed contributions and has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

No actuarial assumptions are required to measure the obligations or the expense, and there is no possibility of any actual gain or loss.

Payments to defined contribution plan are recognised as an expense when employees have rendered service that entitles them to the contributions.

The Scheme is partly funded by the Company (12%) and the employees (6%).

3.1.3 Other Contributions

SME Mauritius Ltd contributes for some of the Ex-SMEDA employees the following schemes:

3.1.3 (a) the Civil Service Family Protection Scheme (CSFPS);

3.1.3 (b) the Statutory Bodies Family Protection Fund (SBFPF); and

3.1.3 (c) the Family Protection Scheme (FPS) with the State Insurance Company of Mauritius (SICOM) Ltd

The salient features of these Family Protection Schemes are highlighted hereunder.

3.1.3 (a). Civil Service Family Protection Scheme

The CSFPS is a contributory scheme which provides protection by way of monthly benefit to dependants of deceased civil servants at any age whether in service or after retirement. With the enactment of the Widow's and Children's Pension Scheme (Amendment) Act No. 28 of 1993, the Civil Service Family Protection Scheme (CSFPS) came into operation and it became mandatory for female officers as well to contribute to the scheme.

The rate of contribution represents 2% of the officer's gross salary.

3.1.3 (b). Statutory Bodies Family Protection Fund

The Statutory Bodies Family Protection Fund (SBFPF) is operating for over a decade now. The objective of SBFPF is to rationalize the computation of beneficiaries'' pension and the payment of membership contribution in line with the PRB recommendations. The SBFPF also plays a major role in placing employees of Local Authorities at par with their counterparts in the Civil Service.

Over and above the benefits provided by the SBFPF, it has a Housing Loan Scheme under which only associates of the Fund are granted loans for purchase or construction of a residential building or the purchase of a residential plot of land. As per the Statutory Bodies Family Protection Fund (Housing Loan) Regulations 2010, the loan ceiling has been raised from Rs 500,000 to Rs 600,000 whereas the rate of interest has been maintained at 8% per annum.

In line with the pension reforms, new regulations have been set under the Statutory Bodies Family Protection Fund (Pensions) Regulations 2011.

3.1.3 (c). SICOM Family Protection Scheme

The State Insurance Company of Mauritius (SICOM) Ltd is a major operator of pension business in Mauritius with more than 25 years of experience. The SICOM offers the SICOM Family Protection Scheme (FPS) which is a group whole life assurance group scheme open to all private companies and corporate bodies for their full-time and permanent employees.

3.1.4 Employee benefits

3.1.4 (a). Passage Benefit Entitlement

SME Mauritius makes an estimated liability for passage benefit entitlement to employees. The annual passage benefit earned by employees is recognised in the Income and Expenditure account.

3.1.5 Foreign currency transactions and balances

SME Mauritius Ltd's financial statements are presented in Mauritian Rupees, which is the functional and presentation currency of the Company. Transactions in foreign currencies if any are initially recorded at their respective functional currency spot rates at the date of recording.

All differences arising on settlement or revaluation of monetary items are reflected in the Income and Expenditure statement.

3.1.6 Property, plant and equipment

Property, plant and equipment comprises of motor vehicles, furniture, computer equipment, office equipment, building and fixtures & fittings.

Initial Measurement

An item of property, plant and equipment that qualifies for recognition as an asset is measured at its cost. The cost of an item of property, plant and equipment is the cash price equivalent at the recognition date.

Subsequent Measurement

All property and equipment of SME Mauritius Ltd are shown at historical cost less accumulated depreciation and/or accumulated impairment losses, if any. Property and equipment items are tested for impairment when there is an indicator that the asset or assets should be impaired. Where the carrying amount of an asset is greater than its recoverable amount, it is written down to its recoverable amount. Impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the asset's net realisable value or its value in use.

The carrying amount of an item of property and equipment is de-recognised on disposal or when no future economic benefits are expected to arise from its use. Gains and losses on disposal or de-recognition of items of property and equipment are determined by comparing proceeds, if any, with carrying amounts and are recognised in operating surplus or deficit when the asset is de-recognised. Repairs and maintenance which neither materially add to the value of assets nor appreciably prolong their useful lives, are charged to the Income and Expenditure statement during the financial period in which they are incurred.

Depreciation is calculated based on the straight-line method to write off the cost of each asset to its residual value over its estimated useful life as follows:

Building	-	5%
Improvements to Buildings	-	20%
Fixtures and fittings	-	10%
Equipment & Computer	-	20%
Machinery & Tools	-	20%
Motor Vehicles	-	20%

The depreciation charge for each period is recognised in the Statement of Profit and Loss and Other Comprehensive Income.

The Company reviews residual values and useful lives for all items of property, plant and equipment for the purpose of depreciation calculations, and impairment provisions. In determining residual values, the Company uses historical sales and management's best estimate based on market prices of similar items. Useful lives of property and equipment are based on management estimates and take into account historical experience with similar assets, the expected usage of the asset, physical wear and tear, technical or commercial obsolescence and legal restrictions on the use of the assets.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting date. The useful life for all items of property, plant and equipment is determined as per the Company's capitalisation policy.

In the year of acquisition depreciation is charged on a prorate basis over the useful life of the product and no depreciation is charged in the year of disposal.

3.1.7 Intangible Assets

Intangible assets comprise of computer software.

Initial measurement

Intangible assets acquired separately are measured on the basis of initial recognition at cost. Subsequently Intangible assets are carried at historical cost less any accumulated amortization.

Intangible assets with finite lives are amortised over the useful economic life of the asset. The amortization period and the amortization method for an intangible asset with a finite useful life is set out below. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognised in the Income and Expenditure statement in the expense category consistent with the function of the intangible assets.

Intangible assets are amortised on a reducing balance basis, to their residual values as follows:

Item	Percentage
Computer Software	20%

A full year charge is provided in the year of acquisition.

3.1.8 Financial instruments – initial recognition and subsequent measurement

3.1.8 (a) Financial assets.

Initial recognition and measurement

SME Mauritius Ltd's financial assets include cash and cash equivalents, inventories, staff loans and other receivables.

The Company recognizes a financial asset or a financial liability in its statement of financial position only when the Company becomes party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. For financial assets measured at amortised costs, transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as described below:

Classification of Financial Assets

Financial assets that meet the following conditions are measured subsequently at amortised cost:

• Financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

• The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

• Financial assets held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

• The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3.1.8 (b) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified in accordance with the substance of the contractual arrangements.

The Company's financial liabilities consist of accounts payable.

Subsequent measurement

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item.

Financial liabilities measured subsequently at amortised cost. 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.

3.1.8 (c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position only if there is a currently enforceable legal right to offset the recognised amounts; and when there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously

3.1.8 (d) Fair value of financial instruments

Fair value is determined using appropriate valuation techniques.

3.1.9 Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise of cash at bank and cash in hand.

Cash and cash equivalents are recognised at cost which equates to their fair value.

3.1.10 Provisions

Provisions are recognised when the Institution has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Whenever a provision is recovered, the reimbursement is recognised. The expense relating to any provision is presented in the Income and Expenditure account.

3.1.11 Taxation

SME Mauritius Ltd is exempt from payment of tax as per the provisions of the Income Tax Act 1995 (as amended).

3.1.12 Related Parties

Parties are considered related to SME Mauritius if they have the ability, directly or indirectly, to exercise significant influence over SME Mauritius in making financial and operating decisions, or vice versa. Related parties may be individuals or other entities. Salaries to key personnel are determined and paid as per the respective terms of appointment, and are expensed in the period of their service.

3.1.13 Borrowings

Borrowings are recognised at fair value.

3.1.14 Equity and Reserves

Share capital is determined using the nominal value of shares that have been issued. Accumulated Profits include all current and prior periods' results.

3.1.15 Trade Receivables

Trade receivables are amounts due from Customers and are classified as current assets if settlement is expected within one year.

3.1.16 Trade Payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers and are classified as current liabilities if payment is due within one year.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

3.1.17 Expenses Recognition

All expenses are accounted for on an accrual basis.

3.1.18 Significant accounting judgments, estimates and assumptions

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

3.1.18 (a) Estimates and assumptions

SME Mauritius bases its assumptions and estimates on parameters available when the financial statements are prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances beyond the control of SME Mauritius. Such changes are reflected in the assumptions as and when they occur.

3.1.19 Pension benefits

The cost of defined benefit pension plans and other post-employment medical benefits and the present value of the pension obligation are determined at the minimum using actuarial valuations. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, the defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date and provisions made are higher of the estimates or actuarial valuation made using these assumptions.

3.1.20 Determining Fair Values

The determination of fair valuc for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques. SME Mauritius maximizes the use of observable inputs when computing fair values and applies its judgment when estimating non-observable inputs

3.1.21 Inventories

Inventories are valued at the lower of cost and the net realisable value.

3.1.22 Fair Value

All the assets and funds of SME Mauritius Ltd are their carrying value.

4. Risk management

The Company's activities expose it to a variety of risks of which financial risks, credit risk, liquidity risk and reputational risks. The Company's overall risk management programme focuses on these risks and management seeks to constantly mitigate these risks.

The Company's risks are managed at the level of the Board of Directors. The Board is responsible for overseeing the establishment of effective risk management systems and the monitoring of internal compliance and controls. The implementation of the risk management systems and the management of risks within the Company on a day-to-day basis are the responsibility of the Chief Executive Officer.

For transactions with banking institutions, it holds bank balances with SBM Bank Mauritius Ltd and MauBank Ltd. As such the Company mitigates the risks related to bank balances by keeping its funds in two different banks of a certain level of repute.

As a support Institution, SME Mauritius is engaged in the development and promotion of SMEs wholly financed by Government and channelled through the Ministry of Industrial Development, SMEs and Cooperatives and hence it is not exposed to credit risk on this line of business.

4.1 Liquidity risk analysis

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Ultimate responsibility for liquidity risk management rests with the Board of Directors who also monitors the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate bank balances.

The table below shows the Company's financial assets and financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows and excludes prepaid expenses but includes prepayments where cash is expected to be received in future.

	2023	2022
	MUR	MUR
Financial assets		
Trade receivables (net)	500,498	2,422,439
Staff Loans	0	451,786
Other Receivables	288,583	495,136
Cash and cash equivalents	26,196,995	20,768,180
Financial liabilities		
Trade and other Payables	58,962,866	52,421,553

5. Capital Management Policies and Procedures

The Company's capital management objectives are:

- to ensure its ability to continue as a going concern; and
- to provide an adequate return to its shareholders and other stakeholders

by offering services to commensurate with the level of risk.

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

The Company sets the amount of capital in proportion to its overall financing structure, that is, equity and financial liabilities.

The **gearing ratio of the Company** is as follows:

	2023	2022
	MUR	MUR
Total borrowings	0	0
Less: Cash and cash equivalents	(26,196,995)	(20,768,180)
Net debt	(26,196,995)	(20,768,180)

6. Fair value measurement

6.1 Fair value measurement of non-financial assets and financial liabilities

The Company's non-financial assets consist of property, plant and equipment, inventories and current tax assets. Its non-financial liabilities consist of deferred tax liabilities.

For the above non-financial assets and non-financial liabilities, fair value measurement is not applicable since they are not measured at fair value on a recurring or non-recurring basis in the statement of financial position.

7. PROPERTY, PLANT AND EQUIPMENT

	Buildings Rs	Improvements to Building Rs	Furniture & Fittings Rs	Office Equipment & Computers Rs	Machinery, Equipment & Tools Rs	Motor Vehicles Rs	Total Rs
COST / VALUATION							
At 1st July 2022	41,995,202	28,159,720	9,110,436	15,339,788	3,404,621	4,650,140	102,659,907
Additions		8,490,244	947,693	361,805	531,632	-	10,331,374
Disposal			(542,167)				(542,167)
At 30 June 2023	41,995,202	36,649,964	9,515,962	15,701,593	3,936,253	4,650,140	112,449,114
DEPRECIATION							
At 1st July 2022	**18,900,187**	**16,220,565**	**6,298,848**	**12,005,785**	**1,024,637**	**2,751,016**	**57,201,038**
							-
Charge for the year	2,099,760	3,818,694	596,425	958,406	655,785	892,788	9,021,858
Disposal	-		(542,167)		-		(542,167)
At 30 June 2023	20,999,947	20,039,259	6,353,106	12,964,191	1,680,422	3,643,804	65,680,729
NET BOOK VALUES							
At 30 June 2023	**20,995,255**	**16,610,705**	**3,162,856**	**2,737,402**	**2,255,832**	**1,006,336**	**46,768,385**
At 30 June 2022	**23,095,015**	**11,939,155**	**2,811,588**	**3,334,003**	**2,379,984**	**1,899,124**	**45,458,869**

8. INTANGIBLE ASSETS

	2023	2022
	Rs	Rs
Cost - SME Portal (Mybizz)		
At Start	2,744,858	2,196,998
Addition	371,450	547,860
At Close	3,116,308	2,744,858
Amortisation		
At Start	1,171,073	777,627
Charge to Statement of Financial Performance	389,047	393,446
At Close	1,560,120	1,171,073
Carrying Value	1,556,188	1,573,785

There have been no impairments of intangible assets during the current and prior periods. There are no intangible asset pledg as security.

9. RETIREMENT BENEFIT OBLIGATIONS

SME Mauritius Ltd operates a defined benefit scheme for qualifying employees and it is funded. The assets of the funded plan are held independently and administered by the State Insurance Company of Mauritius Ltd (SICOM).

	2023	2022
	Rs	Rs
Amounts recognised in Statement of Financial Position at end of period:		
Defined benefit obligation	32,563,648	29,627,984
(Fair value of plan assets)	(23,243,143)	(18,766,891)
Liability recognised in Statement of Financial Position at end of period	9,320,505	10,861,093
Amounts recognised in income statement:		
Service cost:		
Current service cost	1,158,348	1,081,094
(Employee Contributions)	(274,216)	(261,296)
Fund Expenses	61,947	112,004
Net Interest expense / (income)	479,102	373,181
Profit and loss charge	1,425,181	1,304,983
Remeasurement		
Liability (gain) / loss	266,289	1,369,471
Assets (gain) / loss	(510,462)	868,309
Total Other Comprehensive Income (OCI) recognised	(244,173)	2,237,780
Total	1,181,008	3,542,763
Movements in liability recognised in balance sheet:		
At start of period	10,861,093	7,758,179
Amount recognised in P&L	1,425,181	1,304,983
(Past Service Funding)	(2,260,000)	0
(Contributions paid by employer)	(461,596)	(439,849)
Amount recognised in OCI	(244,173)	2,237,780
At end of year	9,320,505	10,861,093

9. RETIREMENT BENEFIT OBLIGATIONS (contd)

Reconciliation of the present value of defined benefit obligation	2023 *RS*	2022 *RS*
Present value of obligation at start of period	29,627,984	25,883,256
Current service cost	1,158,348	1,081,094
Interest cost	1,511,027	1,294,163
Liability(gain)/loss	266,289	1,369,471
Present value obligation at end of period	32,563,648	29,627,984

Reconciliation of fair value of plan assets		
Fair value of plan assets at start of period	18,766,891	18,125,077
Expected return on plan assets	1,031,925	920,982
Employer contributions	461,596	439,849
Employee contributions	274,216	261,296
(Past Service Funding)	2,260,000	0
(Benefits paid + other outgo)	(61,947)	(112,004)
Asset gain/loss	510,462	(868,309)
Fair Value of plan assets at the end of period	23,243,143	18,766,891

Distribution of plan assets at the end of period		
Percentage of assets at end of year	2023	2022
fixed Interest securities and cash	55.3%	58.1%
Loans	0.4%	0.5%
Local Equities	14.4%	14.4%
Overseas Bonds and Equities	29.2%	26.5%
Property	0.5%	0.5%
Total	100%	100%

Additional disclosure on assets issued or used by the reporting entity		
Percentage of assets at end of year	June 2023 (%)	June 2022 (%)
Assets held in the entity's own financial instruments	0	0
Property occupied by the entity	0	0
Other assets used by the entity	0	0

Components of the amount recognised on OCI		
Year	June 2023	June 2022
Currency	Rs	Rs
Assets experience gain/(loss) during the period	510,462	(868,309)
Liability experience gain/(loss) during the period	(266,289)	(1,369,471)
	244,173	(2,237,780)

Year	2023
Expected employer contributions	489,505
(Estimate to be reviewed by SME Mauritius Ltd)	

Weighted average duration of the defined benefit obligation (Calculated as a % change in PV of liabilities for a 1% change in discount rate)	12 years

9. RETIREMENT BENEFIT OBLIGATIONS (contd)

The plan is exposed to actuarial risks such as : investment risk, interest rate risk, longevity risk and salary risk.

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

	2023	2022
Discount rate	5.87%	5.10%
Expected rate of return on plan assets	0.00%	0.00%
Future salary increases	4.50%	3.50%
Future pension increases	3.50%	2.50%
Mortality before retirement	Nil	Nil
Mortality in retirement	PA 90 rated down by 2 years	
Retirement age	65 years	

The discount rate is determined by reference to market yields on bonds.

Significant actuarial assumptions for determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined absed reasonably on possible changes of the assumptions occuring at the end of the reporting period.

If the discount rate would be 100 basis points (one percent) higher (lower) , the defined benefit obligation would decrease by Rs 3.5 million (increase by Rs 4.3 million) if all other assumptions were held constant.

If the expected salary growth would increase (decrease) by 100 basis points, the defined benefit obligation would increase by Rs 1.5 million (decrease by Rs 1.3 million) if all assumptions were held constant.

If life expectancy would increase (decrease) by one year, the defined benefit obligation would increase by Rs 0.9 million (decrease by Rs 0.9 million) if all assumptions were held constant.

In reality one might expect interrelationships between the assumptions, especially between discount rate and expected salary increases, given that both depends to a certain extent on expected inflation rates. The analysis above abstracts from these interdependence between the assumptions.

10. CASH AND CASH EQUIVALENTS

	2023	2022
	Rs	Rs
Cash in hand	4,691	3,836
Cash at bank	26,192,304	20,764,344
CASH AND CASH EQUIVALENTS	26,196,995	20,768,180

11. CAR LOAN

	2023	2022
	Rs	Rs
Amount due at 30 June	-	451,786
Deduct: Amount falling due within one year	-	-
	-	451,786

The amount of car loan of Rs 451,786 was received on 18 August 2022 and interest of Rs 54,456 was charged.

12. INVENTORIES

	2023	2022
	Rs	Rs
Stock of goods	-	1,149,577

Inventories represent trading stock of handicraft products held at head office. Cost is based on relevant purchase price and quantity has been determined through physical stock count.

Remaining amount of stock valued at Rs597,130 has been written off during the year ended 30 June 2023.

13. RECEIVABLES AND PREPAYMENTS

	2023	2022
	Rs	Rs
Trade	500,498	2,422,439
Deposits	150,000	150,000
	650,498	2,572,439
Prepayments	138,583	345,136
	789,081	2,917,575

Trade receivable includes an amount of Rs316,973 sales of handicraft products to MDFP and a provision of Rs125,000 for sale of handicraft products during SME Trade Fairs.

14. PAYABLES (NON CURRENT)

	2023	2022
	Rs	Rs
Loan from Government of Mauritius	1,040,000	1,040,000
	1,040,000	1,040,000

15. PAYABLES (CURRENT)

	2023	2022
	Rs	Rs
Other Payables	4,114,325	4,114,325
Accruals	15,769,914	13,246,304
Other Creditors	6,902,021	3,295,662
Current Portion of Advance Accounts - Car Loan	-	280,325
Other Creditors - Grants	4,594,921	11,097,898
Business Health Check-Deferred Income	14,738,266	14,738,266
Provision for Passage Benefits	1,057,714	1,185,625
	47,177,161	47,958,406

16. Government Grants

	2023	2022
	Rs	Rs
Grant for Revenue and Capital Expenditure	60,500,000	43,500,000
Grant for Schemes	60,000,000	40,000,000
Grant - SME Employment Scheme	121,200,000	136,597,560
Grant - Training and Events	4,500,000	-
Total Grants received	246,200,000	220,097,560
Add Grants for ongoing projects and capital expenditure and accrued expenses	-	20,302,448
	246,200,000	240,400,008

Grants received are for different schemes and expenses as presented in the budget proposal for the financial year 2022/23.
Capital Expenditure of Rs 1,800,000 has been spent during the year under review.

17. OTHER INCOME

	2023	2022
	Rs	Rs
Training Fees	756,400	1,004,900
Sundry Income	293,000	60,000
Fairs-Stand Fees and Other Receipts	724,200	-
Profit / (Loss) from Sale of Handicraft Products	45,088	(40,404)
Received from SICOM for loss electronic items	-	83,610
Purchase of Equipment - Release to income	980,420	438,954
	2,799,108	1,547,060

18. STAFF COST

	2023	2022
	Rs	Rs
Basic Salary and Compensations	23,816,609	22,970,956
End of year bonus	1,998,284	1,935,158
Travelling Refunds	5,250,466	4,514,433
Overtime	903,485	349,091
Allowances	526,528	162,621
Sick Leave	220,030	606,896
Gratuity and Annual Leaves	1,437,854	2,287,765
Pension cost	3,365,302	3,077,228
Other contributions: FPS, Levy, NPF / CSG and NSF	1,646,849	1,540,926
Passage Benefit	1,052,751	912,477
Medical Insurance	523,140	480,200
	40,741,296	38,837,751

The pension cost and other contributions NSF, NPF and Levy are made up of:

Pension Cost

Defined Contribution Scheme	1,940,120	1,772,245
Defined Benefit Scheme	461,596	439,849
Pension cost recognised by SICOM Ltd	963,585	865,134
	3,365,302	3,077,228

The additional pension cost recognised by SICOM Ltd is Rs 1,425,181 for the year under review.

Other contributions: NSF, NPF, Levy etc.

Pension-FPS	44,162	44,162
Pension Civ Serv FPS	41,371	38,988
LEVY	278,858	239,580
NSF Employer Contribution	302,545	307,435
CSG Employer Contribution	979,912	910,760
	1,646,849	1,540,926

19. ADMINISTRATIVE AND OTHER EXPENDITURE

	2023	2022
	Rs	Rs
Advertising	608,016	363,805
Board Fees	2,760,000	2,492,711
Committee Fees - Directors	96,500	148,000
Other Committee fees - Members	290,000	407,000
Subscription and Other Fees	1,304,205	994,461
Audit Fees	250,000	250,000
Legal and Professional Fees	877,575	862,094
Rent and Rates	6,915,701	7,089,306
Maintenance Premises	613,315	1,110,493
Electricity and Water	675,421	869,975
Telephone	3,384,832	2,001,137
Incidentals and Office Expenses	187,027	142,967
Printing, Postage and Stationery	805,933	574,855
Staff Welfare and Training	429,095	468,231
Motor Vehicles Running Expenses	864,517	567,192
Insurance	370,422	298,128
Hospitality Expenses	170,165	232,351
Security Services	1,259,400	926,568
Repairs and Maintenance	1,538,574	827,175
Missions and Overseas Travelling	317,068	85,375
Transport	890,184	278,045
Computer Consumables	387,493	598,817
Trainees and YEP	616,151	868,622
Stock of Handicraft products written off	597,130	-
	26,208,725	22,457,308

20. PROJECT SUPPORT

	2023	2022
	Rs	Rs
Resource Persons	1,822,968	1,916,566
Training , Workshop and Seminars	92,240	76,487
Local fairs and events	3,430,483	1,366,662
SME Employment Graduates	121,142,295	138,224,036
Solar Photovoltaic	-	1,143,495
Internal Capability Development Scheme (ICDS)	790,332	1,518,993
SME Marketing Support Scheme (MSS)	578,342	908,548
SME Utility Connection Assistance Scheme (UCA)	573,330	1,937,458
Technology and Innovation Scheme (TINNS)	45,626,660	37,417,656
Business Transformation Scheme	520,000	
	174,576,649	184,509,901

21. PROFIT OR LOSS ON SALES OF AIRCRAFT SHOP PRODUCTS

	2023	2022
	Rs	Rs
Sales	699,128	1,000
Opening Stock	1,149,577	1,190,981
Add Purchases	22,350	-
Discount	79,243	-
	1,251,170	1,190,981
Less Closing Stock	(597,130)	(1,149,577)
Cost of Sales	654,040	41,404
Gross Profit / (Loss)	45,088	(40,404)
Less Admin Expenses	-	-
	-	-
Net profit / (Loss)	45,088	(40,404)

22. SME EMPLOYMENT SCHEME

	2023	2022
	Rs	Rs
Grants Received	121,200,000	136,597,560
Payments made	121,142,295	138,224,036
	57,705	(1,626,476)

23. RELATED PARTY TRANSACTIONS

SME MAURITIUS LTD is governed by the SME Act 2017 and managed by a Board as its controlling party , with the Government of Mauritius as its general policy maker.The Authority discloses the following in Related accordance with IAS 24, Related Party Disclosures.

	2023	2022
(i) Grants Received from Government	**Rs**	**Rs**
Grants for Revenue and Capital Expenditure	62,300,000	50,000,000
Grant for SME Support Schemes	60,000,000	40,000,000
SME Employment Scheme	121,200,000	-
Training and Events	4,500,000	-
	248,000,000	90,000,000

(ii) Compensation to Key Management Personnel

	2023	2022
	Rs	**Rs**
(i) Fees to Board Members	2,856,500	2,640,711
	2,856,500	2,640,711

The Chief Executive Officer of SME has been appointed as a Non-Executive Director in a banking institution since September 2019.

24. DEFERRED INCOME

	2023	2022
	Rs	**Rs**
Amount for capital expenditure	11,785,705	4,463,148

SME Mauritius Ltd received Rs 9.5 million for capital expenditure and disbursed Rs 2,194,772 for the purchase of equipment during the year ended 30 June 2021. Hence the amount Rs 2,194,772 has been deferred for the year ended 30 June 2021. The amount of Rs 7,305,228 has been accounted under payables in Other Creditors - Grants.

For the year ended 30 June 2022, SME Mauritius Ltd has received Rs 6.5 million and Rs2,707,330 was paid for the improvement in Buildings. An amount of Rs 438,954 has been released to the Income stream and same amount was debited to Deferred Income. Thus the amount of Rs 4,463,148 will be deferred in the Balance Sheet.

The amount of Rs 11,097,898 (7,305,228+ 3,792,670) will be accounted under payables in Other Creditors - Grants.

For the year ended 30 June 2023, an amount of Rs 980,420 have been released to the Income Stream and same amount debited to Deferred Income. The balance of Rs 3,792,670 in 2022 was paid for the improvement in Buildings. Out of Rs7,305,228 in 2021, an amount of Rs2,204,550 were paid for taring of yard. The amount of Rs1,800,000 in 2023 was paid for improvement in Buildings.

Rs11,785,705 has been deferred for the year ended 30 June 2023.(4,463,148+1,800,000+3,792,670+2,204,550-980,420+ 505,757). In Other Creditors - Grants there will now Rs4,594,921.

25. TAXATION

SME Mauritius Ltd is exempt from Income Tax and is not VAT registered.

26. ROUNDING OF FIGURES

The figures have been rounded to the nearest rupee.