



Annual Report

2021-2022

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Corporate Governance Report

Principle 1: Governance Structure

The Council

The ultimate responsibility for guiding and overseeing the functions of the National Social Inclusion Foundation rests with its Council. The Council establishes strategic directions, offers managerial supervision and ensures compliance with the legal and regulatory obligations of the Foundation. It is accountable for the Foundation's overall performance and initiatives.

The Charter

The Charter is the main governing document of the Foundation. It defines the Foundation's objects and powers, areas of intervention, beneficiaries and the composition and procedures of its Council. The Charter may be reviewed as deemed necessary by the Founder, namely the Government of Mauritius, acting through the Ministry of Social Integration, Social Security and National Solidarity (Social Integration Division).

Organisational Chart

The Council is responsible for the appointment of the Foundation's personnel. The role of the Secretary-General, who serves as the chief executive officer, involves carrying out the policies and resolutions of the Council while supervising the daily operations. The organisational structure of the Foundation is illustrated in the diagram below.

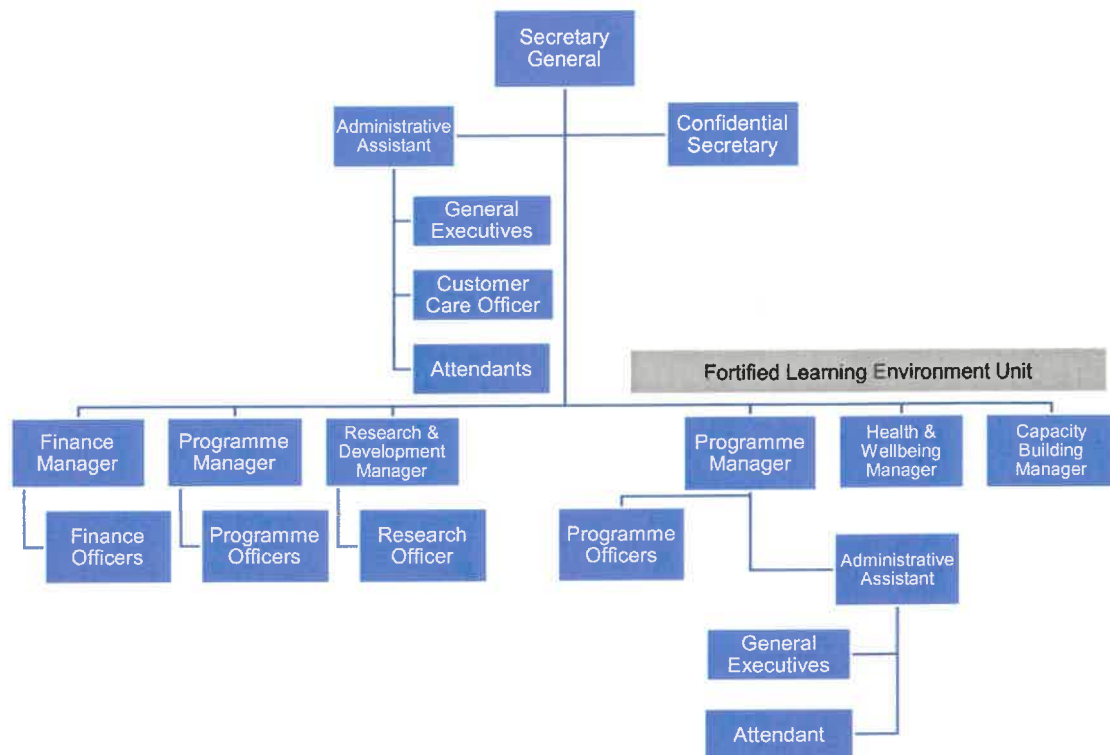


Figure 1: Organisational Chart

Principle 2: The Structure of the Board and its Committees

Composition of the Council

The Council is composed of the chairperson and 10 multi-stakeholder representatives from the public sector, private sector, civil society and academia.

Council Members 2021-2022

Mr MUNIEN Medavy Pillay	Chairperson
Mrs CURRIMJEE Sarah	Prime Minister's Office
Mr SOK APPADU Ramanaidoo	Ministry of Finance, Economic Planning and Development
Dr KAWOL Dhanandjay	Ministry of Social Integration, Social Security and National Solidarity
Mrs LAN HING PO Jeanne	Ministry of Social Integration, Social Security and National Solidarity
Mr RAMKALOAN Kevin	Private Sector
Mrs D'HOTMAN DE VILLIERS Marie Florence Audrey	Private Sector
Mr RAY Suraj	Civil Society
Mr MOHER Ramjuttun, OSK	Civil Society
Dr RAVAT Jonathan, OSK	Academia
Mrs BABOORUN Tooneela	Academia

Council Meetings

Council meetings are held at least once a month. During the financial year 2021-2022, the Council met 12 times as follows.

Month	Date
July	29 th
August	26 th
September	30 th
October	28 th
November	25 th
December	16 th
January	27 th
February	24 th
March	31 st
April	28 th
May	26 th
June	30 th

Company Secretary

The role of Company Secretary is held by Prime Partners Ltd. The responsibilities of the Company Secretary include:

- Ensuring that the procedures of Council comply with the Charter of the Foundation
- Providing agendas of Council meetings and supporting documents in good time
- Taking and circulating minutes of Council meetings

Committees of the Council

Six (6) standing Committees are appointed by Council to ensure the proper functioning of the Foundation in line with its objects.

Committee	Composition	Number of Meetings
Project Management	Mrs CURRIMJEE Sarah (Chairperson) Mrs D'HOTMAN DE VILLIERS Marie Florence Audrey Dr RAVAT Jonathan, OSK Mr MOHER Ramjuttun, OSK	10
Finance	Mr SOK APPADU Ramanaidoo (Chairperson) Mr MUNIEN Medavy Pillay Mr RAMKALOAN Kevin Mr MOHER Ramjuttun, OSK	4
Human Resources	Mrs LAN HING PO Jeanne (Chairperson) Mr MUNIEN Medavy Pillay Mrs D'HOTMAN DE VILLIERS Marie Florence Audrey Mrs BABOORUN Tooneela	12
Research & Development	Dr RAVAT Jonathan, OSK (Chairperson) Mrs BABOORUN Tooneela Mrs D'HOTMAN DE VILLIERS Marie Florence Audrey Mr MUNIEN Medavy Pillay	8
Capacity Building	Mrs D'HOTMAN DE VILLIERS Marie Florence Audrey (Chairperson) Dr RAVAT Jonathan, OSK Mrs BABOORUN Tooneela Mr RAI Suraj	8
Audit and Good Governance Committee	Mr RAMKALOAN Kevin (Chairperson) Dr KAWOL Dhanandjay Mrs LAN HING PO Jeanne Mr RAY Suraj	Nil

Principle 3: Director Appointment Procedures

Appointment of Council Members

The Chairperson and Council members are appointed by the Founder. They hold office on such terms and conditions as it may approve.

Principle 4: Director Duties, Remuneration and Performance

Code of Ethics

The NSIF has a Code of Ethics which sets out the benchmarks for ethical conduct and responsible behaviour acceptable at the Foundation. This code serves as a constant reminder to all members affiliated with the Foundation of their public duties and legal obligations.

Conflict of Interest

Council members provide full and timely disclosure in instances of any conflict, or potential conflict of interest. They do not participate in any part of the debate or meeting in which the issue involving the conflict or potential conflict is discussed.

Information Technology and Information Security

All significant IT expenditures are monitored and approved by Council.

The Foundation has embarked on a digitalisation project of its core and non-core functions to improve efficiency and quality of service. In this regard, a procurement exercise for a turnkey integrated information system (supply, customisation, installation, commissioning) and post Go-Live support was initiated during the period under review.

Council Information

Council members have access to accurate, timely and clear information which may be provided through the Company Secretary, Chairperson or management. Such information and matters relating to the Foundation are kept strictly confidential and are not disclosed without the authority of the Council.

Remuneration

The Chairperson and Council members receive a fixed monthly fee, determined and approved by the Founder.

As regards management, in line with the Charter, the overriding consideration in the recruitment and employment of staff and in the determination of their conditions of service is the necessity of securing the highest standards of efficiency, competence and integrity.

Principle 5: Risk Governance and Internal Control

The Council, in its governance role, determines the nature and extent of principal risks and uncertainties facing the Foundation in pursuit of its strategic goals. It ensures the existence of adequate internal control systems, with the Audit and Good Governance Committee periodically evaluating operational, financial, and legal risks.

Operational Risk management

The Foundation has developed comprehensive operational frameworks and guidelines for its core processes, namely:

- Registration of NGOs
- Funding of NGOs
- Monitoring of funded programmes and projects
- Approval of reduced CSR amount to be remitted to the MRA by companies liable to CSR

Financial Risk

To enhance financial planning, CSR funds received from the MRA are accumulated over one fiscal year and allocated in the subsequent one. Reserves are kept in treasury bills in order to minimize exposure to financial risks.

Legal Risk

The Foundation consults its legal advisor for assistance on all matters that may have legal implications.

Internal Control

Adequate policies, procedures and tasks are maintained for the effective and efficient running of the Foundation, ensuring reliable financial reporting and compliance with applicable laws and regulations.

Principle 6: Reporting with Integrity

Having considered all matters brought to its attention during the year, the Council is content that the annual report and accounts, taken as a whole, are fair, balanced, and understandable.

The annual report furnishes stakeholders with the necessary information to assess the organization's position, performance, and outlook, while the accounts faithfully depict the state of affairs and results of operations.

These accounts adhere to International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), and the Foundations Act, based on reasonable and prudent judgments in accounting policies.

Principle 7: Audit

External Audit

The National Audit Office (NAO) conducts an annual audit of the Foundation's accounts and financial statements. Audit findings and recommendations pertaining to the Foundation's finances and processes are reported, and the Foundation takes remedial actions as advised by external auditors to address necessary improvements.

Internal Audit

To ensure the effectiveness of all Foundation activities and operations, and to provide assurance of the soundness and application of internal controls, the Council is in the process of recruiting an Internal Auditor. This individual will be responsible for conducting internal audit functions, including risk management, system evaluation, operational performance, and program-based audits of the Foundation.

Principle 8: Relations with Shareholders and Other Key Stakeholders

NGOs

The Foundation actively engages in open dialogue and regular interactions with supported NGOs. Regular meetings are held and communications exchanged, addressing matters related to funding and monitoring.

Collaboration with Ministries and Institutions

The Foundation seeks to work in collaboration with ministries and institutions dealing with issues relevant to its priority areas of intervention areas. Different coordinating committees have been set up with the aim to:

- Share information pertaining to interventions by Ministries, public institutions and NGOs in the priority areas of the Foundation
- Support the monitoring of NGO programmes and projects
- Provide technical advice in respect of the assessment of funding proposals, design of programmes including national programmes, research and capacity building
- Identify emerging needs and gaps in service delivery and to propose relevant programmes and projects
- Explore opportunities for enhanced cooperation between the Foundation and Ministries and institutions

Issue	Ministries/Institutions
RCIs for Protection and Welfare of Children	<ul style="list-style-type: none">• Ministry of Gender Equality and Family Welfare
Health	<ul style="list-style-type: none">• Ministry of Health and Wellness• National Aids Secretariat
Homelessness	<ul style="list-style-type: none">• Ministry of Social Integration, Social Security and National Solidarity
Support to Persons with Disabilities	<ul style="list-style-type: none">• Ministry of Social Integration, Social Security and National Solidarity• Training and Employment of Disabled Persons Board
Promotion of Leisure and Sports	<ul style="list-style-type: none">• Mauritius Sports Council

Rehabilitation of detainees and ex-detainees	<ul style="list-style-type: none"> • Mauritius Prisons Service
Vocational training of youths in the non-formal education sector	<ul style="list-style-type: none"> • Mauritius Institute of Training and Development
Special Education Needs Schools	<ul style="list-style-type: none"> • Special Education Needs Authority

Capacity Building

A central strategic goal of the Foundation is to enhance and reinforce the capacities of NGOs, enabling them to be more effective and efficient at:

- Serving their beneficiaries and the communities in which they intervene
- Providing access to higher quality services
- Improving wellbeing and contributing to empowerment and social inclusion of vulnerable groups

To this end, the Foundation has established collaborative training initiatives with various higher education and training institutions such as the University of Mauritius (UoM), Mauritius Institute of Education (MIE), and Mauritius Institute for Training and Development (MITD). These collaborations aim to develop targeted capacity-building programs for NGOs.

Registration of NGOs

The NSIF maintains a register of NGOs for the purpose of allocating funds. 18 new organisations were registered during the financial year 2021-2022. The number of organisations registered with the Foundation as at 30 June 2022 stood at 445.

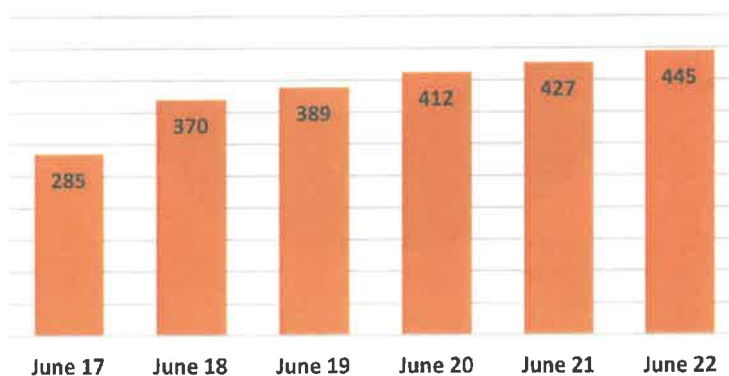
Registration is made upon application online and is subject to satisfying the eligibility criteria set by the Foundation. To be eligible for registration, an organisation should:

- Have a legal status and be registered in the Republic of Mauritius
- Run on a non-profit making basis
- Have a governance structure respecting democratic principles, transparency and accountability
- Have an adequate and proper bookkeeping system in place, with cash and bank accounts adequately controlled, spending properly authorised and assets well managed
- Not discriminate on the basis of race, place of origin, political opinion, colour, creed, gender or sexual orientation

Application for registration should be supported by:

- Certificate of registration
- Statutes and by laws to highlight the non-profit making status of the NGO
- List of members of the governing body of the NGO
- Organisation chart to depict the staffing structure
- Certified/audited financial statements for the last 2 calendar years preceding the application for registration
- Report on activities and/or projects completed over the last 2 years to document track record of the NGO

Figure 2: Number of Organisations Registered, 2017-2022



Programmes and Projects

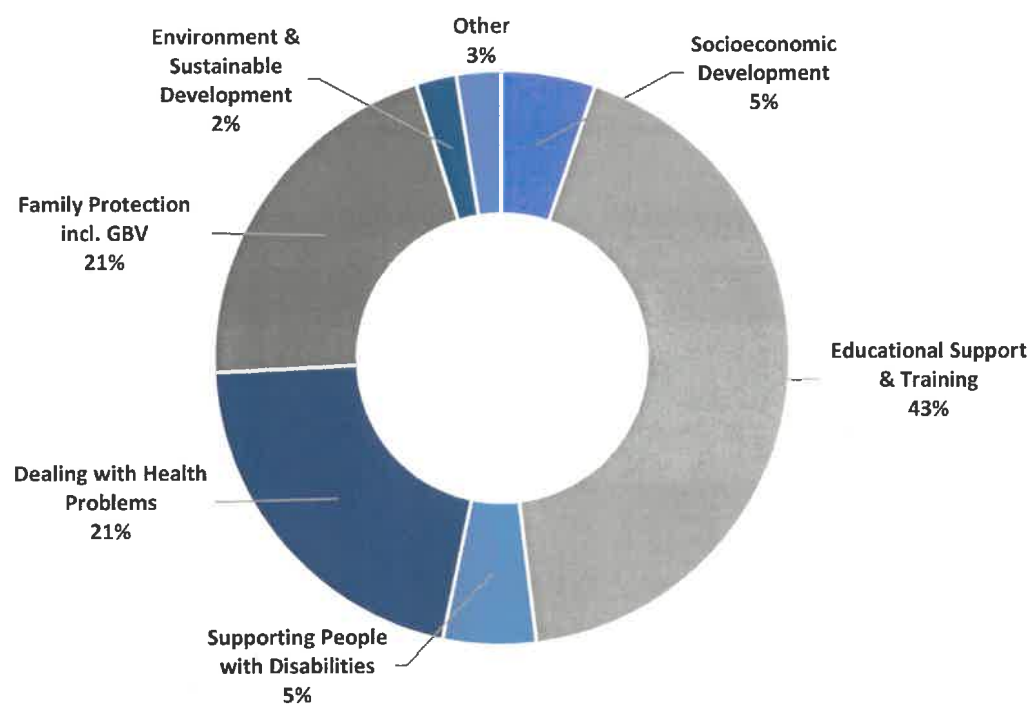
Funding Instrument F1: Partnering with Non-Government Service Providers

The primary funding instrument under which NGOs/NPOs are funded by the Foundation is the funding instrument F1: Partnering with Non-Government Service Providers. Organisations are funded through a programme grant on annual basis subject to satisfactory monitoring performance. Funding allocations under F1 for the period June 2021 to July 2022 were as follows.

Table 1: Funding Allocations under F1 for the period June 2021 - July 2022

	No. of Organisations	Amount Approved (Rs million)
F1: Partnering with Non-Government Service Providers	163	537.6

Figure 3: Funding Allocations under F1 by Priority Area



Funding Instrument F4: Supporting Small-Scale Initiatives

Following a call for proposals under the funding instrument F4: Supporting Small Scale Initiatives, the Foundation received 81 applications for funding from 72 organisations. Funding under F4 is project-based, for a maximum amount of Rs500,000. 66 projects in respect of 65 organisations were approved for a total amount of Rs21.5 million. Funding approved were mainly in the priority areas 'Educational Support and Training' (44%) followed by 'Socioeconomic Development' (16%), 'Leisure and Sports' (15%) and 'Dealing with Health Problems' (13%).

Support to Charitable Institutions under Government Grants

The Foundation disbursed Government grants amounting to Rs89.9 million during the period July 2021 to June 2022 for 21 Residential Care Homes providing care and support to more than 600 beneficiaries. Grants paid charitable institutions are made up of:

- Capitation grant
- Attendant allowance
- Inmate allowance
- Maintenance of buildings
- Domestic appliances grant
- Funeral Grant
- Payment of CWA bills

Funding Instrument F5: National Programmes

The implementation of the Fortified Learning Environment (FLE) National Programme by the Fortified Learning Environment Unit (FLEU) set up under the Foundation which started in 2020 was pursued in Mauritius and extended in Rodrigues during the period 2021-2022 despite the challenges of the COVID 19 pandemic.

The FLEU has worked in close collaboration with key stakeholders namely the Ministry of Education, Tertiary Education, Science and Technology, the Ministry of Gender Equality and Family Welfare, the Rodrigues Regional Assembly (RRA), the Mauritius Institute of Education (MIE), the Mauritius Sports Council (MSC) and NGOs on the main pillars of the National Programme namely improving access of vulnerable children to Creches Services, support to children in pre-primary and primary schools and secondary schools.

Following a call for proposals for the setting up of creches services in high poverty areas, 13 applications were received and proposals from 5 NGOs were approved for an amount of Rs 13, 497,379.

A call for proposals was launched for the implementation of the Brain Based Educational Programmes in 70 primary schools. Proposals from 4 NGOs were received and retained for an amount of Rs 15,066,817.

As regards secondary schools, Educational support was provided to some 1500 children in Grade 7 and Grade 8 from 100 schools. A Family Support Programme based on a case management approach was also provided to some 400 families of children in the Extended Programme. During the financial year 2021-2022, an amount of Rs 2,170,970 was approved in favour of 3 NGOs for the implementation of the programme in secondary schools in Rodrigues.

Funding Instrument F6: Special Calls

The Foundation invited applications for the funding of renovation projects from NGOs managing residential facilities through a Special Call for Proposals titled 'Improving Care Environments in Residential Care Institutions (RCIs)'. Eligible organisations included:

- RCIs for the protection and welfare of children
- Shelters and half-way homes for women
- Residential care homes/charitable institutions for the elderly
- Shelters for the homeless

At the closing date of 7 February 2022, 43 applications were received for a total amount requested of Rs40.3 million.

Monitoring of Programmes and Projects

All funded programmes/projects are monitored by the Foundation. The purpose of monitoring is to ensure that activities are executed as planned and that funds are correctly used by NGOs. The monitoring exercise also serves to identify programme/project implementation challenges and difficulties to comply with the Foundation's monitoring and reporting requirements. Accordingly, mentoring support is provided to NGOs where required.

Approval of Reduced CSR Amount to be Remitted to the MRA

Companies subject to Corporate Social Responsibility (CSR) obligations must remit 75 percent of their CSR funds to the MRA. A company may reduce the CSR amount to be remitted by up to 25 percent subject to prior approval from the NSIF.

From July 2021 to June 2022, approvals amounting to Rs105.8 million were granted to 232 companies. These funds were used by the companies to support programs undertaken by around 100 organisations, primarily focused in the priority area 'Educational Support and Training'.

Table 2 below shows the trend in approvals of reduced CSR amount since January 2019

Table 2: Approvals of Reduced CSR Amount, January 2019 – June 2022

Financial Year	No. of Companies	Amount (Rs million)
Jan 2019 – June 2019	45	15.8
July 2019 – June 2020	192	68.3
July 2020 – June 2021	218	72.5
July 2021 – June 2022	232	105.8

Publications

Life on the Streets

The Foundation undertook a study on the issue of street homelessness. The results of the study, published in the 'Life on the Streets' report, contribute to the understanding of the characteristics and experiences of the homeless and identify the key factors leading to homelessness as well as the needs for support.

The report will serve to:

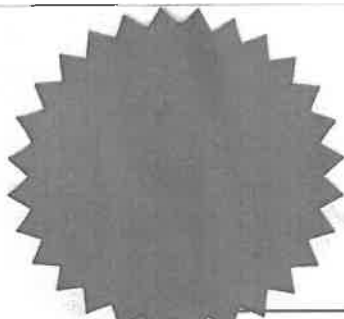
- Provide an initial evidence base on the issue of homelessness in Mauritius
- Promote a multistakeholder dialogue and partnership on the issue of homelessness
- Inform national policies and programmes to improve social protection of the homeless

Framework for Service Provision in RCIs

Positive care environments and quality residential services are essential for ensuring the safety, welfare and development of vulnerable children placed in Residential Care Institutions (RCIs).

The NSIF presented a framework for service provision in RCIs with the aim to standardise and enhance the quality of care and support provided to children.

The framework adopts a child-centred and child rights approach and provides essential guidelines relating to the scope and provision of services, organisational capacity development and institutional arrangements. It should provide the basis for the development of a National Programme for RCIs.



REPORT OF THE DIRECTOR OF AUDIT

**On the Financial Statements
of the National Social Inclusion Foundation
for the year ended June 2022**

NATIONAL AUDIT OFFICE



NATIONAL AUDIT OFFICE

REPORT OF THE DIRECTOR OF AUDIT TO THE COUNCIL OF THE NATIONAL SOCIAL INCLUSION FOUNDATION

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of the National Social Inclusion Foundation, which comprise the statement of financial position as at 30 June 2022 and the statement of financial performance, the statement of changes in net assets/equity, the cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the National Social Inclusion Foundation as at 30 June 2022, and of its financial performance and cash flows for the year then ended in accordance with the International Public Sector Accounting Standards (IPSASs).

Basis for Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the National Social Inclusion Foundation in accordance with the INTOSAI Code of Ethics together with the ethical requirements that are relevant to my audit of the financial statements in Mauritius, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key Audit Matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I have determined that there are no key audit matters to communicate in my report.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Public Sector Accounting Standards (IPSASs), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the National Social Inclusion Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management intends to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the National Social Inclusion Foundation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the National Social Inclusion Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the National Social Inclusion Foundation's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate,

to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the National Social Inclusion Foundation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or, when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Management's Responsibilities for Compliance

In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible for ensuring that the operations of the National Social Inclusion Foundation are conducted in accordance with the provisions of laws and regulations, including compliance with the provisions of laws and regulations that determine the reported amounts and disclosures in an entity's financial statements.

Auditor's Responsibilities

In addition to the responsibility to express an opinion on the financial statements described above, I am also responsible to report to the Council whether:

- (a) I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of the audit;
- (b) the activities, financial transactions and information reflected in the financial statements are, in all material respects, in compliance with the laws and authorities which govern them;
- (c) satisfactory management measures have been taken to ensure that resources are procured economically and utilised efficiently and effectively; and
- (d) the provisions of Part V of the Public Procurement Act regarding the bidding process have been complied with.

I performed procedures, including the assessment of the risks of material non-compliance, to obtain audit evidence to discharge the above responsibilities.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Opinion on Compliance

Foundations Act

The National Social Inclusion Foundation was established with a Charter as per the Foundations Act 2012.

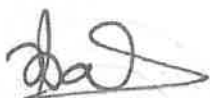
I have obtained all information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit.

Based on my examination of the records of National Social Inclusion Foundation, nothing has come to my attention that causes me to believe that:

- (a) the activities, financial transactions and information reflected in the financial statements are, in all material respects, not in compliance with the Foundations Act; and
- (b) satisfactory management measures have not been taken to ensure that resources are procured economically and utilised efficiently and effectively.

Public Procurement Act

In my opinion, the provisions of Part V of the Act have been complied with as far as it could be ascertained from my examination of the relevant records.



DR. D. PALIGADU
Director of Audit

National Audit Office
Level 14,
Air Mauritius Centre
PORT LOUIS

16 August 2023


Financial Statements

for the year ended 30 June 2022

Statement of Financial Position as at 30 June 2022

		30-Jun-22	30-Jun-21
	Notes	Rs	Rs
ASSETS			
Current assets			
Cash and Cash Equivalents	09	548,599,114	395,116,751
Investment in Term Deposits	10	1,268,148,758	1,045,358,040
Receivables	11	363,320,276	479,006,100
Prepayments	12	55,898	93,865
		2,180,124,046	1,919,574,756
Non current assets			
Other Receivables	13	354,813	354,813
Property, Plant and Other Equipment	14	5,167,017	5,064,397
		5,521,830	5,419,210
Total Assets		2,185,645,876	1,924,993,966
LIABILITIES			
Current liabilities			
Payables	15	103,420,942	69,948,080
Total liabilities		103,420,942	69,948,080
Net Assets		2,082,224,934	1,855,045,886
NET ASSETS/EQUITY			
General Fund		2,082,224,934	1,855,045,886
Total Net Assets/Equity		2,082,224,934	1,855,045,886

Financial Statements were approved for issue by the Council of the National Social Inclusion Foundation on 03rd August 2023 and signed on its behalf by:


Mr Medavy Pillay MUNIEN
Chairperson


Mr Kevin RAMKALOO
Council Member

Statement of Financial Performance for the year ended 30 June 2022

		30-Jun-22	30-Jun-21
	Notes	Rs	Rs
REVENUE			
Revenue from Non-Exchange Transactions	16	972,019,769	967,201,516
Revenue from Exchange Transactions	17	8,888,147	10,358,233
Total Revenue		980,907,916	977,559,749
EXPENSES			
Staff costs	18	26,458,104	22,189,467
Administrative costs	19	13,033,306	13,770,410
Depreciation	14	1,128,769	1,009,817
Grants to NGOs	20	713,108,689	622,103,059
Total Expenses		753,728,868	659,072,753
Surplus for the year		227,179,048	318,486,996

Statement of Changes in Net Assets / Equity for the year ended 30 June 2022

	Transfer from	NGO Trust Fund	Accumulated Surplus	General Fund
	Rs	Rs	Rs	Rs
Balance as at 30 June 2020		961,175	1,535,597,715	1,536,558,890
Surplus for the year		-	318,486,996	318,486,996
Balance as at 30 June 2021		961,175	1,854,084,711	1,855,045,886
Surplus for the year		-	227,179,048	227,179,048
Balance as at 30 June 2022		961,175	2,081,263,759	2,082,224,934

Cash Flow Statement for the year ended 30 June 2022

	Notes	30-Jun-22 Rs	30-Jun-21 Rs
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for the year		227,179,048	318,486,996
<u>Non-Cash Movement:</u>			
Depreciation		1,128,769	1,009,817
(Increase)/Decrease in Receivables	11	115,685,824	(188,797,257)
Increase/(Decrease) in Payables	15	33,472,862	(55,581,670)
(Increase)/Decrease in Prepayments	12	37,967	(72,677)
(Increase) in Long term Receivables		-	(354,813)
Net Cash Flows from Operating Activities		377,504,470	74,690,396
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Other Equipment	14	(1,231,389)	(4,019,040)
Investment in Term Deposits		(1,467,962,758)	(1,932,828,965)
Redemption of Term Deposits		1,245,172,040	1,477,006,925
Net Cash Flows from Investing Activities		(224,022,107)	(459,841,080)
Net Increase / (Decrease) in Cash and Cash Equivalents		153,482,363	(385,150,684)
Cash and Cash Equivalents at the beginning of year	9	395,116,751	780,267,435
Cash and Cash Equivalents at the end of year		548,599,114	395,116,751

Notes to the Cash Flow Statement

- 1 Cash and Cash Equivalents consist of cash in hand and bank balances. Cash and Cash Equivalents shown in the Cash Flow Statement comprise the following statement of financial position amounts:

Balance at bank

Rs
548,599,114
548,599,114

- 2 During the period the Foundation acquired Property, Plant and Other Equipment with an aggregate cost of Rs 1,168,802 (Rs 62,587 Refers to the retention money)
- 3 NSIF prepares its Cash Flow on an indirect method

Statement of Comparison of Budget and Actual Amount for the year ended 30 June 2022

	Original Budget for the year ended 30.06.2022	Revised Budget for year ended 30.06.2022	Actual Received/Paid for the year ended 30.06.2022
	Rs	Rs	Rs
Revenue			
Transfer from Accountant General	-	-	1,031,836,981
Other Income	-	-	63,131,315
Total Revenue	-	-	1,094,968,296
Expenses			
(A) Staff & Related Costs	29,857,231	28,093,740	26,426,318
Basic salary	21,382,955	17,713,519	16,419,616
NSF/CSG/Levy	1,064,386	1,200,194	1,091,028
MUA Pension Employer contribution	-	480,144	474,674
MUA Medical Employer contribution	-	109,000	-
End of year Bonus	1,352,644	1,352,644	1,212,842
Overtime	20,000	20,000	3,875
Travelling Allowances	2,467,632	2,911,701	2,917,745
Mobile phone Allowances	276,000	284,787	284,787
Gratuity	3,160,614	3,675,372	3,675,372
PRGF	-	212,418	212,418
Other allowances	133,000	133,961	133,961
(B) Premises and Fixed Plant	6,860,960	6,860,960	3,582,073
Electricity	1,228,000	1,211,850	836,170
Syndic fees and sanitary share	-	884,059	884,059
Water	15,000	15,000	6,559
Rental Charges	2,388,130	1,632,129	1,632,129
Telephone and Internet	229,830	245,980	223,156
Refurbishment of Office and Work area	3,000,000	2,871,942	-
(C) Procurement and Outsourced Services	8,086,809	8,086,809	3,841,939
Postage, Printing and Stationery	600,000	738,862	756,572
Office Requisites	450,000	670,101	630,895
Newspapers, Books and Periodicals	50,000	50,000	7,785
Public Notices and Publications	450,000	450,000	251,643
Maintenance of Web Site	450,000	450,000	286,086
Legal Fees	130,000	318,750	310,500
Licences and Permits	-	-	4,140
Consultancy Fees	2,500,000	682,432	349,600
Parking Fees	1,041,923	1,041,923	723,955
Insurance	179,000	179,000	72,573
Consultative workshops/Seminars/Open Days	900,000	900,000	425,651
Other Office Expenses	100,000	100,000	-
Communication Services	1,200,000	2,469,855	-
Bank Charges	35,886	35,886	22,539
(D) Corporate Services	5,845,000	7,608,491	6,729,859
Other allowances with regards to wakashio	-	1,709,000	1,709,000
Bid fees	240,000	240,000	-
Chairperson/Council Members Fees	3,840,000	3,842,000	3,842,000
Committee Fees	780,000	805,250	781,250
MUA Pension Admin fee and life charges	-	54,491	52,609
MUA Medical Basic Fee Policy	-	-	-
Entertainment/Hospitality	150,000	122,750	-
Secretarial Services	345,000	345,000	345,000
Interaction with Rodrigues and Outer Islands	240,000	240,000	-
Mission overseas	100,000	100,000	-
Audit Fees	150,000	150,000	-
(E) Procurement of Non-Financial Assets	9,750,000	9,750,000	1,231,389
Computers and Printers	900,000	900,000	843,525
Photocopier and cameras	550,000	550,000	-
Furniture and fittings and office accomodation	1,800,000	1,800,000	387,864
ERP Supply and commissioning	6,500,000	6,500,000	-
	60,400,000	60,400,000	41,811,578
Disbursement to NGOs	845,000,000	845,000,000	676,883,637
Total Expenses	905,400,000	905,400,000	718,695,215

1 The Original Recurrent Budget (Rs 60.4 m) and Programme Budget (Rs 845m) were approved by the Council on 29.04.2021 and the Revised Recurrent Budget (Rs 60.4 m) approved by the Council on 30.06.2022

2 As at 30 June 2022, an amount of Rs 1,268,148,758 was invested in Treasury Bills. The maturity of the TBs varied between 162 to 325 days.

3 NSIF prepares its recurrent budget on a cash basis

Statement showing variances between Revised Budget and Actual Revenue and Expenses for the year ended 30 June 2022

	Revised Budget for the year ended 30.06.2022	Actual Received/Paid for the year ended 30.06.2022	Variances	Comments on variances above Rs 100,000
	Rs	Rs	Rs	
Revenue				
Transfer from Accountant General	-	1,031,836,981	(1,031,836,981)	Revenue depends on CSR Contribution collected by the MRA as per Section 50L of the Income Tax Act 1995
Other Income	-	63,131,315	(63,131,315)	Refund from NGOs could not be budgeted
Total Revenue	0	1,094,968,296	(1,094,968,296)	
Expenses				
(A) Staff & Related Costs	28,093,740	26,426,318	1,667,422	
Basic salary	17,713,519	16,419,616	1,293,903	Provision for additional posts not yet filled and PAYE for June 2022 effected in July 2022
NSF/CSG/Levy	1,200,194	1,091,028	109,166	Payment for the month of June 2022 to MRA effected in July 2022
MUA Pension Employer Contribution	480,144	474,674	5,470	
MUA Medical Employer Contribution	109,000	-	109,000	Payment for medical scheme started after June 2022
End of year Bonus	1,352,644	1,212,842	139,802	Provision for additional posts not yet filled
Overtime	20,000	3,875	16,125	
Travelling Allowances	2,911,701	2,917,745	(6,044)	Excess amount of travelling has been used out of Overtime Budget
Mobile phone Allowances	284,787	284,787	0	
Gratuity	3,675,372	3,675,372	0	
PRGF	212,418	212,418	0	
Other allowances	133,961	133,961	0	
(B) Premises and Fixed Plant	6,860,960	3,582,073	3,278,887	
Electricity	1,211,850	836,170	375,680	Refund on electricity bills not yet received from NEF
Syndic fees and sanitary share	884,059	884,059	0	
Water	15,000	6,559	8,441	
Rental Charges	1,632,129	1,632,129	0	
Telephone and Internet	245,980	223,156	22,824	
Refurbishment of Office and Work Area	2,871,942	-	2,871,942	No renovations effected as project to relocate office was not finalised
(C) Procurement and Outsourced Services	8,086,809	3,841,939	4,244,870	
Postage, Printing and Stationery	738,862	756,572	(17,710)	Excess amount of PPS has been used out of Office Requisites Budget
Office Requisites	670,101	630,895	39,206	
Newspapers, Books and Periodicals	50,000	7,785	42,215	
Public Notices and Publications	450,000	251,643	198,357	Provision for additional posts not yet advertised
Maintenance of Web Site	450,000	286,086	163,914	Provision for upgrading not effected
Legal Fees	318,750	310,500	8,250	
Licences and Permits	-	4,140	(4,140)	Excess amount of Licenses (a new code) has been used out of Office Requisites Budget
Consultancy Fees	682,432	349,600	332,832	Amount not fully utilised as contractor did not complete its scope of work
Parking Fees	1,041,923	723,955	317,968	Provision for additional posts not yet filled and some staff did not require parking space
Insurance	179,000	72,573	106,427	Amount unspent as computerisation project not completed and equipment not purchased
Consultative workshops/Seminars/Open Days	900,000	425,651	474,349	Amount not spent because of Covid pandemic
Other Office Expenses	100,000	-	100,000	Amount provided for moving office expenses. Reallocation not yet undertaken
Communication Services	2,469,855	-	2,469,855	Work not yet completed
Bank Charges	35,886	22,539	13,347	
(D) Corporate Services	7,608,491	6,729,859	878,632	
Other allowances with regards to Wakashio	1,709,000	1,709,000	0	
Bid fees	240,000	-	240,000	No bid evaluation committee during the year
Chairperson/Council Members Fees	3,842,000	3,842,000	0	
Committee Fees	805,250	781,250	24,000	
MUA Pension Admin fee and life charges	54,491	52,609	1,882	
MUA Medical Basic Fee Policy	-	-	0	
Entertainment/Hospitality	122,750	-	122,750	Amount not utilised due to Covid19 pandemic restrictions
Secretarial Services	345,000	345,000	0	
Interaction with Rodrigues and Outer Islands	240,000	-	240,000	Amount not utilised as no activity planned for Rodrigues
Mission overseas	100,000	-	100,000	Amount not utilised as no overseas mission undertaken
Audit Fees	150,000	-	150,000	Amount paid after year end
(E) Procurement of Non-Financial Assets	9,750,000	1,231,389	8,518,611	
Computers and Printers	900,000	843,525	56,475	Being amount not utilised out of estimated requirement of Rs 900,000.
Photocopier and cameras	550,000	-	550,000	Purchase not yet effected
Furniture and fittings and office accomodation	1,800,000	387,864	1,412,136	Amount not fully utilised as no furniture acquired pending relocation to new office space.
ERP Supply and commissioning	6,500,000	-	6,500,000	Exercise not yet completed as at 30.06.2022
	60,400,000	41,811,578	18,588,422	
Disbursement to NGOs	845,000,000	676,883,637	168,116,363	National Programme not implemented. FLE and F4 did not use up to Rs 120million and Rs 45million budgeted respectively.
Total Expenses	905,400,000	718,695,215	186,704,785	

Statement showing reconciliation of Actual Amounts with Financial Statements for the year ended 30 June 2022

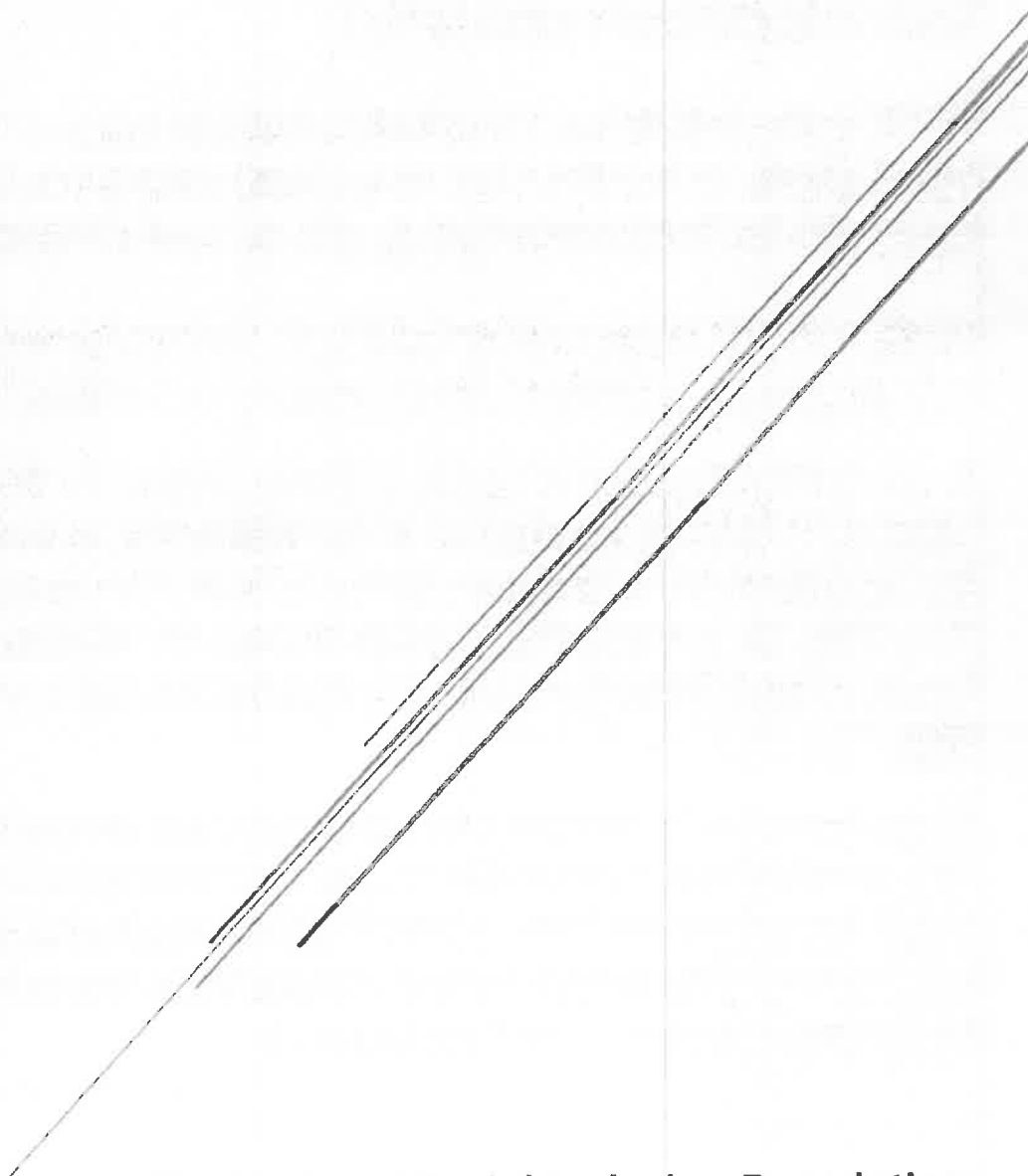
	Rs
Revenue	
Actual Revenue as per Statement of Comparison of Budgets and Actual Amount	1,094,968,296
<u>Basis Differences</u>	
Income accrued for the year	364,945,720
Reversal of Income accrued as at 30 June 2021	(479,006,100)
Total Revenue as per Statement of Financial Performance	980,907,916
Expenses	
Actual Expenses as per Statement of Comparison of Budgets and Actual Amount	718,695,215
<u>Basis Differences</u>	
Capital Expenditure	(1,231,389)
<u>Non-cash items:</u>	
Depreciation	1,128,769
<u>Accounting adjustments:</u>	
Prepayment for the year	(55,898)
Payables for the year	103,420,942
Adjustment made for offsetting Receivable and reallocate overdisbursement	1,625,444
Reversal of last year's accruals	(69,948,080)
Reversal of last year's Prepayments	93,865
Total Expenses as per Statement of Financial Performance	753,728,868

Statement showing reconciliation of Actual Cash Flows with Budget for the year ended 30 June 2022

	30-Jun-22 Rs
Expenses	
Actual amount In the Statement of Financial Performance	753,728,868
<u>Basis Differences</u>	
<u>Provision and accruals</u>	
Accruals for Payables for the year	(103,420,942)
Adjustment made for offsetting Receivable and reallocate overdisbursement	(1,625,444)
Reversal of last year's accruals for payables	69,948,080
Adjustment for prepayments for the year	55,898
Reversal of last year's prepayments	(93,865)
<u>Capitalised expenditure</u>	1,231,389
<u>Depreciation</u>	(1,128,769)
Actual amount on comparable basis as presented in the Statement of Comparison of Budgets and Actual amount	718,695,215
Revenue	
Actual amount In the Statement of Financial Performance	980,907,916
<u>Basis Differences</u>	
Adjustment for last year's receivables	479,006,100
Receivables for the year	(364,945,720)
Actual amount on comparable basis as presented in the Statement of Comparison of Budgets and Actual amount	1,094,968,296
Actual Revenue on comparable basis as presented in the Statement of Comparison of Budget and Actual amount	1,094,968,296
Actual Expenses on comparable basis as presented in the Statement of Comparison of Budget and Actual amount	(718,695,215)
Net Actual amount on comparable basis as presented in the Statement of Comparison of Budgets and Actual amount	376,273,081
Net Investment in Treasury Bills	(222,790,718)
Reconciled with Net Cash Increase in Cash Flow Statement	153,482,363

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022



The National Social Inclusion Foundation

1. The Foundation, Its Operations, And Principal Activities

The National Social Inclusion Foundation (NSIF), originally called the National CSR Foundation, was established under the Foundations Act 2012, and registered as the National CSR Foundation on the 30th day of December 2016 (Foundation Number FD 361).

Government, in its 2019/20 Budget provided that the National CSR Foundation be transformed into a National Social Inclusion Foundation with a new Charter and will identify National Programmes for better impact on poverty alleviation.

The NSIF operates under the aegis of the Ministry of Social Integration, Social Security and National Solidarity. The Foundation is governed by a Council composed of multistakeholder representatives from the public sector, the private sector, civil society, and academia.

The NSIF receives and manages CSR funds remitted by the Accountant General and collected on its behalf by the Mauritius Revenue Authority as per Section 50L of the Income Tax Act 1995.

It works with and through NGOs to undertake programmes and projects in priority areas of intervention for the benefit of individuals and families registered under the Social Register of Mauritius (SRM) and of vulnerable groups as defined in its Charter. CSR Funds are allocated to NGOs through calls for projects which are publicly advertised. The Foundation is presently domiciled at Level 6, Garden Tower, La Poudrière Street, Port Louis and has a sub office at Ebene.

As from January 2019, the Foundation is also responsible for disbursing funds appropriated under the Centrally Managed Initiatives of Government. These are transfers made to Non-Profit Institutions as support to NGOs. Previously these transfers were being made by the Ministry of Social Security and National Solidarity, the Ministry of Gender Equality, Child Development and Family Welfare and the Ministry of Health and Quality of Life.

2. Basis of Preparation

2.1 Basis of Preparation

- **Estimates**

NSIF prepares its Budget on a Cash Basis.

The Original Budget was approved by the Council on 29th April 2021 and Revised Budget approved on 30th June 2022.

- **Financial Statements**

The Statement of Financial Position and Statement of Financial Performance are prepared on an accrual basis.

The Cash Flow Statement has been prepared using the indirect method.

2.2 Statement of Compliance

The Financial Statements have been prepared using historical cost on an accruals basis in accordance with the International Public Sector Accounting Standards (IPSAS) issued by the International Public Sector Accounting Standards Board (IPSASB) of the International Federation of Accountants (IFAC) and the Foundations Act 2012.

Where an IPSAS does not address a particular issue, the appropriate International Financial Reporting Standards (IFRSs) or International Accounting Standards (IASs) of the International Accounting Standards Board (IASB) are applied.

2.3 Going Concern

The Financial Statements have been prepared on a going concern basis and the Council of the Foundation has no reason to believe that there are any material uncertainties that may cast significant doubt upon the Foundation's ability to continue as a going concern.

2.4 Estimates and Assumptions

The preparation of Financial Statements in conformity with IPSAS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

2.5 Accounting Judgements and Estimation uncertainty

The preparation of the Financial Statements in accordance with IPSAS requires the management to exercise judgement in the process of applying the accounting policies.

A degree of estimation and the exercise of judgement is inherently involved in the preparation of Financial Statements. Judgements and estimates are based on past experience and expectations of future events.

Management is of the opinion that, given the nature of the Foundation's activities there are no significant matters of estimation likely to give rise to actual results materially different from results disclosed in the Financial Statements.

2.6 Presentation Currency and Level of Rounding Used

Figures inserted in the Financial Statements are in Mauritian rupees and are rounded to the nearest rupee.

2.7 Reporting Date and Comparatives

The Financial Statements have been prepared for the financial year ended 30 June 2022.

Comparative figures relate to the financial year 1 July 2020 to 30 June 2021.

2.8 Authorisation Date

The Financial Statements were authorised for issue by the Council of the National Social Inclusion Foundation on 29th September 2022.

3. Adoption of IPSAS

3.1 Status and Level of IPSAS Application

IPSAS	Details	Compliant Status
IPSAS 1	Presentation of Financial Statements	Yes
IPSAS 2	Cash Flow Statements	Yes
IPSAS 3	Accounting Policies, Changes in Accounting Estimates and Errors	Yes
IPSAS 4	The effects of Changes in Foreign Exchange Rates	N/A
IPSAS 5	Borrowing Costs	N/A
IPSAS 6	Consolidated and Separate Financial Statements (Superseded by IPSAS 34 and IPSAS 35)	N/A
IPSAS 7	Investments in Associates (Superseded by IPSAS 36)	N/A
IPSAS 8	Interest in Joint Ventures (Superseded by IPSAS 37)	N/A
IPSAS 9	Revenue from Exchange Transactions	Yes
IPSAS 10	Financial Reporting in Hyperinflationary Economies	N/A
IPSAS 11	Construction Contracts	N/A
IPSAS 12	Inventories	N/A
IPSAS 13	Leases	Yes
IPSAS 14	Events After the Reporting Date	Yes

IPSAS	Details	Compliant Status
IPSAS 15	Financial Instruments: Disclosure and Presentation (Superseded by IPSAS28 and IPSAS 30)	N/A
IPSAS 16	Investment Property	N/A
IPSAS 17	Property, Plant and Equipment	Yes
IPSAS 18	Segment Reporting	N/A
IPSAS 19	Provisions, Contingent Liabilities, and Contingent Assets	Yes
IPSAS 20	Related Party Disclosures	Yes
IPSAS 21	Impairment of Non-Cash-Generating Assets	N/A
IPSAS 22	Disclosure of Financial Information about the General Government Sector	N/A
IPSAS 23	Revenue from Non-Exchange Transactions (Taxes and Transfers)	Yes
IPSAS 24	Presentation of Budget Information in Financial Statements	Yes
IPSAS 25	Employee Benefits (Superseded by IPSAS 39)	N/A
IPSAS 26	Impairment of Cash-Generating Assets	N/A
IPSAS 27	Agriculture	N/A
IPSAS 28	Financial Instruments: Presentation	Yes
IPSAS 29	Financial Instruments: Recognition and Measurement	Yes
IPSAS 30	Financial Instruments: Disclosures	Yes
IPSAS 31	Intangible Assets	N/A
IPSAS 32	Service Concessions Arrangements: Grantor	N/A
IPSAS 33	First-Time Adoption of Accrual Basis International Public Sector Accounting Standards	Yes
IPSAS 34	Separate Financial Statements	N/A
IPSAS 35	Consolidated Financial Statements	N/A
IPSAS 36	Investments in Associates and Joint Ventures	N/A
IPSAS 37	Joint Arrangements	N/A
IPSAS 38	Disclosure of Interests in Other Entities	N/A
IPSAS 39	Employee Benefits	Yes
IPSAS 40	Public Sector Combinations	N/A

3.2 IPSAS issued but not yet effective

- **IPSAS 41 - Financial Instrument (Issued in August 2018 and effective 1 January 2023)**

The new Financial Instruments standard substantially improves the relevance of information for financial assets and financial liabilities. It will replace IPSAS 29, Financial Instruments. IPSAS 41 sets out the requirements for recognition and measurement of financial instruments including impairment and derecognition.

The NSIF has elected for an early adoption in its Financial Statements for the year ended 30 June 2022.

- **IPSAS 42- Social Benefits (Issued in January 2019 and effective 1 January 2023)**

IPSAS 42 prescribe the accounting and disclosure for social benefits. The objective of this standard is to improve the relevance, faithful representativeness, and comparability of the information that a reporting entity provides in its financial statements about social benefits.

Social benefits are cash transfers provided to:

- (a) Specific individuals and/or households who meet eligibility criteria.
- (b) Mitigate the effect of social risks; and
- (c) Address the needs of society as a whole as defined in this standard.

The information provided should help users of the financial statements and general-purpose financial reports to assess:

- The nature of such social benefits provided by the entity.
- The key features of the operation of those social benefit schemes; and
- The impact of such social benefits provided on the entity's financial performance, financial position, and cash flows.

IPSAS 42 is not applicable to the NSIF's accounts for the year ended 30 June 2022 as the services offered by the Council as at 30 June 2022 are outside the scope of Social benefits.

- IPSAS 43 - Leases (Issued in January 2022 and Effective as from 1 January 2025)

IPSAS 43, Leases has been developed to replace IPSAS13, Leases. IPSAS 43, Leases, introduces the right-of-use model for lessees, which distinguishes the right to use an underlying asset (which the lessee controls) and the underlying asset (which the lessee does not control).

IPSAS 43 requires that leases which qualify for the recognition exemptions, be accounted for consistent with how operating leases are treated in IPSAS 13 (expenses recognised on a straight-line basis over the lease term or another systematic basis) IPSAS 13 does not provide recognition exemptions.

The NSIF has not elected for an early adoption of IPSAS 43, Leases in its Financial Statements for the year ending 30 June 2022.

- IPSAS 44 - Non-current assets Held for Sale and Discontinued Operations (Issued in May 2022 and Effective as from 1 January 2025).

IPSAS 44 has been developed to provide for the accounting of assets held for sale and presentation and disclosure requirements of discontinued operations.

IPSAS 44 is not relevant to the accounts of the NSIF for the year ended 30 June 2022.

4. Accounting Policies

The NSIF applies the following specific accounting policies that materially affect the measurement of financial performance and the financial position.

The accounting policies have been applied consistently throughout the year.

4.1 Revenue Recognition

Income from government is recognised when receivable. It is considered receivable when actually received or when the Foundation has become entitled to a future payment and its amount can be ascertained with reasonable certainty.

Interest Income is recognised when receivable and the amount can be measured reliably; this is normally upon notification of the interest paid or payable by the financial institution.

Unspent amount from NGOs out of amount already disbursed is recognised when receivable and the amount can be measured reliably; this is normally determined at the closure of the programme/projects.

Income from other beneficiaries is recognised when the amount can be measured reliably; this is normally upon notification of the Foundation to the NGO/beneficiaries.

The NSIF has recognised its revenue in terms of Exchange and Non- Exchange Transaction which is in line with IPSAS 9 and IPSAS 23 respectively. Revenue is measured at fair value of the consideration received.

4.2 Expenses

4.2.1 Staff Cost and Administrative Cost

Expenses are accounted for on an accrual's basis.

4.2.2 Grants to NGOs

Grants to NGOs are accounted on an accrual's basis.

The amount approved by the Council as grants to NGOs under the various frameworks covering the relevant financial year is recognised in the Statement of Financial Performance. These represent amounts payable to the NGOs for implementing the approved projects and programmes.

In the event that an NGO withdraws from a project for which an amount has been approved as grant by the Council, the corresponding amount is written off during the year in the Statement of Financial Performance.

Request for disbursement to NGOs on a *Capitation Basis* are received from the Ministry of Gender Equality and Family Welfare, Elderly Welfare and Elderly Persons' Protection Unit and Ministry of Social Integration, Social Security and National Solidarity on a monthly basis. These disbursements are recognised in the Statement of Financial Performance in the month they are paid.

4.3 Property, Plant and Other Equipment (PPE)

PPE costing more than Rs 5,000 per unit and expected to have a lifespan exceeding twelve months are capitalised at cost.

PPE are stated in the Statement of Financial Position at cost less accumulated depreciation.

A full year's depreciation is provided in the year of purchase, derecognition and write off, but no depreciation is charged in the year of disposal through sale. Depreciation is recognised in the Statement of Financial Performance.

Depreciation is calculated on a straight-line basis to recognise the consumption of economic benefits of an asset over its useful life at the following rates:

Property	2%
Fit out	2%
Furniture, fixtures, fittings, and other equipment	10%
Computers and equipment	25%
Motor vehicles	20%

4.4 Cash and Cash Equivalents

Cash and cash equivalents shown at nominal value in the Statement of Financial Position are the Foundation's cash and bank balances.

4.5 Financial Instruments

Financial Instruments are contracts that give rise to both a financial asset in one entity and a financial liability or an equity instrument in another.

Financial assets and financial liabilities are recognised on the Statement of Financial Position when the NSIF becomes a party to the contractual provisions of the financial instruments.

Financial instruments are initially measured at cost until such time when the rights to receive cash flows from those assets have expired or have been transferred and the NSIF has transferred substantially all the risks and rewards of ownership.

4.9 Events after Reporting Date

NSIF makes adjustment for adjusting events after the reporting date and disclosures are made for significant non-adjusting events after the reporting date.

As at 30.06.2022, NSIF does not have any significant non-adjusting events.

4.10 Leases

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the NSIF.

NSIF has been leasing the *Cyber Properties Investment Ltd (CPIL)* located at the 3rd Floor, Wing B, Shri Atal Bihari Vajpayee Tower, Ebene Cybercity, Modules 03B1 and 03B7 with a total area of 334.30 m² for a period of 4 years starting from 01st October 2020.

In case the NSIF decides to terminate the lease for any reason and at any time, including for convenience, it shall give the Lessor six months prior notice. Upon termination or cancellation, NSIF should restore the leased modules as close to its original state and condition as is reasonably possible in the circumstances.

A rental fee of Rs 118,270.27 per month excluding all charges levied such as VAT/Taxes are paid as from 01st November 2020. The agreement provides for a 5% escalation applicable on rent every year on the lease start date.

An initial deposit of Rs 354,813, representing 3 months' rent has been paid in advance and recorded under the long-term Receivables.

Rental payments under the operating lease are recognised as an expense in the Statement of Financial Performance.

5.3 Reputational Risk

The reputation of the Foundation is a key factor on which its stakeholders rely when assessing their confidence in its capacity to sustainably fulfil the mission entrusted to it.

Reputational risk is a threat or danger to the good name or standing of an entity. Such risk can occur through a number of ways; directly as a result of the actions of the Foundation, indirectly due to the actions of an employee or employees or through other stakeholders such as grantee NGOs and suppliers.

To mitigate reputational risks the Council ensures good governance practices through the following oversight instances:

The Finance Committee

The Audit and Governance Committee,

The Project Management Committee,

The HR Committee, and

The Capacity Building Committee.

In addition, regular updates are posted on the web site of the Foundation and regular meetings are held with NGOs, its principal partners in its fight against poverty and social exclusion. While monitoring and evaluating grantee NGOs' projects, staff of the Foundation also mentor them on good accounting and financial management practices.

Management has developed a Code of Ethics for staff members with the collaboration of the Independent Commission Against Corruption. This Code provides to all employees of the Foundation some broad ethical statements with which to guide their professional lives and identify relevant considerations when ethical uncertainties arise and has already been approved at Council level.

The short-term employee benefits consist of salaries, salary compensation, overtime, car and travelling allowances, refund of bus fare, allowances, end of year bonus and social security contributions. These are expensed in the period the employee renders the service and a liability is recognised in respect of amount not paid at the end of the financial year.

The Foundation contributes to following additional Employee Benefits and post-Employment Benefits for each category under the permanent nature which have been expensed in the Statement of Financial Performance in the period to which they relate, and a liability has been recognised in respect of amount not paid at the end of the financial year:

Type of Employee Benefits	Indeterminate duration contract	Fixed term contract
Annual Leave	<p>Annual leave (AL) entitlement has been increased to 22 as from 01st January 2022 after 12 consecutive months of employment. Previously only 21 AL were allocated to all employees.</p> <p>After 6 months of consecutive employment, entitlement to 1 day's AL for each month over the following 6 months provided the employee is not absent in the first 6 months of employment.</p> <p>Untaken AL are refunded each January.</p>	<p>Untaken AL were refunded prior to 01st January 2022.</p> <p>As from January 2022, Untaken AL are to be forfeited or carried forward (max 5 days) for only one additional year</p>
Sick Leave	<p>Sick leave entitlement has been decreased to 15 working days with pay after 12 consecutive months of employment as from 01st January 2022. Previously 21 sick leaves were allocated to all employees.</p> <p>After 6 months of consecutive employment, entitlement to 1 day's sick leave per month over the following 6 months provided the employee is not absent in the first 6 months of employment.</p> <p>Sick leaves are accumulated in a bank of sick leave to a maximum of 90 days as from 01st January 2022. Prior to January 2022, all untaken sick leaves were forfeited.</p> <p>When the bank maximum has been reached untaken sick leave up to a maximum of five days will be paid in cash at the daily rate of 1/22 of monthly salary per day.</p> <p>On termination of contract untaken/accumulated SL are forfeited</p>	

7.3 Disclosure of Key Management Personnel

Post	Grade	No of Post 2021/22	No of Post 2020/21
Secretary General (Chief Executive)	M2	1	1
Finance Manager	M1	1	1
Programme Manager	M1	2	2
Research and Development Manager	M1	1	1
Health and Wellbeing Manager	M1	1	1
Capacity Building Manager	M1	Advertised	1
Internal Auditor	M1	Advertised	Advertised
Communication Manager	M1	Vacant	Vacant

7.4 Disclosure of Remuneration of Key Management Personnel**➤ 2021/22**

Major classes of key management personnel	Grade	Number of Individuals	Description of remuneration	Remuneration of key management personnel	Compensation to Key Management Personnel	Other Remuneration and Compensation to Close members of the family of key management personnel
Secretary General	M2	1	Basic salary, salary comp, refund of unutilised annual leaves, Gratuity, Telephone allowance, traveling, other allowances and EOY Bonus	Rs 2,102,667	-	-
Head of Department (Managers)	M1	5		Rs 6,411,038	-	-

➤ 2020/21

Major classes of key management personnel	Grade	Number of Individuals	Description of remuneration	Remuneration of key management personnel	Compensation to Key Management Personnel	Other Remuneration and Compensation to Close members of the family of key management personnel
Secretary General	M2	1	Basic salary, salary comp, refund of unutilised annual leaves, Gratuity, Telephone allowance, traveling, per diem, other allowances and EOY Bonus	Rs 1,627,862	-	-
Head of Department (Managers)	M1	6		Rs 5,458,771	-	-

9. Cash and Cash Equivalents

	2021/22	2020/21
	Rs	Rs
SBM Ltd :		
Cash at bank: A/C 5xxxxxxxxx986	543,213,898	392,680,584
A/C 5xxxxxxxxx741	5,385,216	2,436,167
A/C 5xxxxxxxxx950	-	-
	<u>548,599,114</u>	<u>395,116,751</u>
	=====	=====

The account bearing number 5xxxxxxxxx950 is inactive.

10. Investment in Term Deposits

	2021/22	2020/21
	Rs	Rs
SBM Ltd:		
FD 2020030C	-	599,509,520
FD 2021020C	-	65,466,394
FD 2021230J	-	172,639,020
FD 20212308	-	207,743,106
FD 2021230B	198,764,000	-
FD 2333075	397,668,000	-
FD 20222204	299,181,000	-
FD 20222206	198,136,008	-
FD 20222209	174,399,750	-
	<u>1,268,148,758</u>	<u>1,045,358,040</u>
	=====	=====

As at 30 June 2022, an amount of Rs 1,268,148,758 was invested in Treasury Bills. The maturity of the TBs varied between 162 to 325 days. As at 30 June 2022, there was no indication of any impairment on the TBs.

14. Property, Plant and Other Equipment

Furniture, fixtures, fittings, and other equipment	Computers and equipment	Total
Rs	Rs	Rs

Cost

As at 01 July 2021	4,839,678	1,580,533	6,420,211
Additions	387,864	843,525	1,231,389
Write off	-	(326,301)	(326,301)
At 30 June 2022	5,227,542	2,097,757	7,325,299

Depreciation

As at 01 July 2021	686,695	669,119	1,355,814
Charges for the year	522,754	606,015	1,128,769
Write off	-	(326,301)	(326,301)
As at 30 June 2022	1,209,449	948,833	2,158,282

Carrying Amount

At 30 June 2022	4,018,093	1,148,924	5,167,017
At 30 June 2021	4,152,983	911,414	5,064,397

16. Revenue From Non-Exchange Transactions

	2021/22	2020/21
	Rs	Rs
CSR Funds from Accountant General: Received	614,721,280	765,350,603
Receivable	311,661,570	130,963,026
Refund from NGOs and other sources: Received	2,228,724	705,255
Receivable	43,331,707	66,476,227
Amount receivable from Ministry of Fisheries with regards to MV Wakashio Assistance and Support Cell	-	3,706,405
Other miscellaneous income: Received	55,238	-
Receivable	21,250	-
	<u>972,019,769</u>	<u>967,201,516</u>
	=====	=====

17. Revenue From Exchange Transactions

	2021/22	2020/21
	Rs	Rs
Interest on Term Deposits: Received	5,467,685	9,597,958
Receivable	3,420,462	760,275
	<u>8,888,147</u>	<u>10,358,233</u>
	=====	=====

19. Administrative Costs

	2021/22	2020/21
	Rs	Rs
Other Allowances	-	3,359,000
MUA Pension Admin fee and life charges	52,609	-
MUA Medical Basic fee policy	3,819	-
Bid Fees	34,290	389,209
Electricity	614,358	444,245
Syndic fees and sanitary shares	500,000	884,059
Water	6,717	3,315
Rental Charges	1,632,129	952,076
Telephone and Internet	221,636	220,959
Postage, Printing and Stationery	736,522	358,410
Office Requisites	555,307	462,241
Newspapers, Books and Periodicals	7,785	14,526
Public Notices and Publications	251,643	363,945
Maintenance of Web Site	267,051	236,687
Legal Fees	370,500	60,000
Licenses and permits	4,140	-
Consultancy Fees	414,831	23,863
Parking Fees	723,955	541,403
Insurance	69,574	61,625
Consultative workshops/Seminars/Open	425,651	441,345
Communication Services	948,750	-
Bank Charges	22,539	23,102
Chairperson/Council Members Fees	3,890,000	3,490,000
Committee fees	784,500	835,000
Entertainment/Hospitality	-	36,100
Secretarial Services	345,000	345,000
Interaction with Rodrigues and Outer	-	74,300
Audit fees	150,000	150,000
	13,033,306	13,770,410
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