




MAURITIUS
EXAMINATIONS
SYNDICATE

ANNUAL REPORT 2015

MAURITIUS EXAMINATIONS SYNDICATE





*Let the mind manage the body
Que l'esprit gère le corps*

MAURITIUS EXAMINATIONS SYNDICATE

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The Mauritius Examinations Syndicate (MES) is the body responsible for the conduct of all examinations nationally. This includes the CPE Examinations, the National Assessment at Form III, the Pre-vocational Examinations and the SC / HSC Examinations. The MES also conducts over a hundred professional and technical examinations on behalf of international examination bodies and awards certificates for the CPE and the NTC.

Our Objectives

- Organise and conduct examinations.
- Promote the development of a sound system of examinations by engaging in relevant research and other related activities.
- Award certificates
- Cooperate with other examination bodies.

Our Vision

The Mauritius Examinations Syndicate seeks to maintain itself as a leading institution in the field of examinations, assessment and evaluation in Mauritius and in the region.

Our Mission

The MES is committed to organising and conducting examinations at all levels, consistent with national policies and goals and in line with the latest international trends.

The MES ensures that its examinations are valid and reliable and that standards are maintained in view of international recognition.

In the conduct of examinations, the MES provides a high level of confidentiality and security, vital for strengthening confidence among the users of its services and the public in general.

The Ministry of Education and Human Resources, Tertiary Education and Scientific Research (MOEHRTESR) is the parent Ministry of the MES.



MES CORE VALUES



Chairman's Message

Mr R Meettook
Chairperson

Permanent Secretary
Ministry of Education and Human
Resources, Tertiary Education
and Scientific Research

I am pleased to submit the Annual Report of the Mauritius Examinations Syndicate for the year 2015.

During 2015, the MES conducted examinations for over 70 external bodies, including universities and professional examination bodies. The MES has consistently proved itself to be a reliable examination body for both local and external examinations.

With the coming of the Nine Year Schooling project, the MES is at the forefront of a major educational reform and will be an important implementation agency for matters pertaining to assessments and examinations.

I am confident that the MES will be able to respond to the new challenges.

I wish to place on record the dedication of the management and the staff of the MES as well as the support of the Board members, for the success of the institution.



Director's Message

Mrs D S Brenda Thanacoody Soborun
Director

The year 2015 marked the beginning of innovation and new challenges for the Mauritius Examinations Syndicate.

The HSC Professional qualification was initiated on a pilot basis in 11 secondary schools under the close monitoring of the MES. The MES was responsible for organizing placements for over 100 students in more than 50 organisations in both the government and private sectors. With the collaboration of Cambridge International Examinations (CIE), further areas of teacher training were identified and rolled out.

Electronic marking, a long awaited initiative, was finally implemented in 2015. The e-marking will be gradually extended to a greater number of subjects.

The MES was also actively involved in the implementation plan of the Nine Year Schooling. Various simulations were carried out. The existing assessment papers were reviewed and new assessment syllabuses and paper designs were produced

2015 was an important year for the MES whereby the institution started to reinforce its international relationships with CIE and other examination boards in the region. Senior management staff were able to attend overseas workshops and, at the same time, share best examination practices.

Management wishes to thank the Board and the Ministry of Education and Human Resources, Tertiary Education and Scientific Research for their constant support in the pursuit of the MES objectives.

Corporate

Governance

Report

The Board

The board of the MES is responsible for the corporate governance of the organisation. Corporate governance involves managing and improving relations shared among different stakeholders including the board, the employees, customers, suppliers and the community at large.

The MES board is committed to the highest standard of business integrity, transparency, professionalism and ethical business conduct. The board's actions are subject to laws and regulations.

The board leads and provides strategic direction to the MES.

Board Composition

The board of the MES comprises a chairperson, the MES director and seven board members. The board members are appointed as per the Mauritius Examinations Act 1984.

The board members collectively have a diverse range of skills and experiences as well as knowledge of Government policies. They bring independent judgement and are committed to collective decision making and responsibility for the performance of the syndicate.

Role of the Board

The board plays a key role in the setting up of the system of corporate governance to assist in safeguarding policies and procedures. The board develops directional policy and ensures accountability of the organisation to its stakeholders and relevant authorities. The board also ensures a sound system of internal control, risk management and financial reporting.

The board reports to the Minister and ultimately to Government. The board continuously reviews and determines the purpose, strategy and values of the MES.

Composition of the Board of Directors as at 26 November 2015

A new board was constituted in December 2015 following which one board meeting was held in the year under review.

The members were given accurate, timely and clear information so that they could maintain full and effective control over strategic, financial, operational, compliance and governance issues.

An Administrative Officer of the syndicate attended all board meetings and acted as Secretary to the board. He ensured that the board procedures and rules and regulations were fully observed and implemented and that the proceedings of the board and its committee meetings were properly minuted and decisions implemented.



The Board of the Syndicate

Composition of the board of the syndicate as at 26 November 2015

Mr Ravi Meettook

Chairperson

Permanent Secretary, MOEHRTESR
 Diploma in Public Administration and Management
 Diplôme d'étude Financières, Economiques et
 Bancaires
 ICSA (Pre-professional)
 Diplôme d'Etude Supérieur Management Université
 de Paris I - Sorbonne

Mrs Hemadevi Boodadoo

Member

Educator
 1st Class Pitman Word Processing
 Certificate in Vocal Carnatic Music
 Certificate of Achievement in Early Childhood Education
 BSc (Hons) Social Studies
 MBA Human Resource & Knowledge Management

Mrs D S Thanacoody Soborun

Director

Executive MBA (University of Birmingham)
 BSc (Hons) Mathematics (York University, Canada)
 MIE Teacher's License

Mr D Gopaul

Member - (Rep. of PMO)

Deputy Permanent Secretary, PMO Office
 LLM (Public International Law), LLB (Hons)
 MSc Applied Economics
 PGCE
 Graduate Diploma Statistics
 Diplome International d'Administration Publique
 Diploma in Occupational Health and Safety
 Diploma in Management Studies

Mr M Luchoomun

Member

Director, PSSA
 BSc (Hons) Mathematics
 PGCE
 MBA

Dr O Nath Varma

Member

Director, MIE
 PhD in Education, PGCE
 MA Sociology, BA (Hons) Sociology

Mrs Z Guness-Goolbar

Member (Rep. of MOEHRTESR)

Deputy Permanent Secretary, MOEHRTESR
 Executive MBA (University of Birmingham)
 BSc (Hons) Economics

Mr Geean Mahadeea

Member

Former Educator
 Teacher's Diploma

Mr Georges Arekion MSK

Member

Board Member Nelson Mandela Institute
 Post graduate in Administration of Higher Education

Mr D Moorooogen

Ag. Secretary to Board

Administrative Officer, MES
 BA Management

Board Committees

The board has established five committees with specific delegated duties and responsibilities as set out below. Each committee has clear terms of reference which are approved by the board.

The committees meet as regularly as necessary in accordance with the terms of reference set by the board.

- Finance Committee
- Human Resource Committee
- Assessment, Certificate & Quality Assurance Committee.
- OPSG Committee
- Audit and Risk Committee

Each board committee operates under approved terms of reference in line with the Code of Corporate Governance .

Name	Assessment, Certificate & Quality Assurance	Human Resource Committee	Finance Committee	Audit & Risk Committee	OPSG Committee
Mrs D S Thanacoody Soborun	Member	Member	Member	Member	Member
Mrs Z Guiness- Goolbar	Member	Chairperson	Member	Member	Member
Mr D Gopaul	Member	Member	Chairperson	Member	Member
Mr M Luchoomun	Member	Member	Member	Member	Chairperson
Dr O Nath Varma	Chairperson	Member	Member	Member	Member
Mr Georges Arekion MSK	Member	Member	Member	Member	Member
Mr Geean Mahadeea	Member	Member	Member	Member	Member
Mrs Hemadevi Boodadoo	Member	Member	Member	Member	Member

Member Chairperson

The Chairperson of the Audit & Risk Committee is a DPS from the MOEHRTESR. Co-opted members from the MES and the MOEHRTESR are appointed in each committee as required.

Other committees

To ensure good governance and sound procedures, management has set up various committees. These committees comprise senior and middle management staff.

A non-exhaustive list of these committees is as follows:

MES Records Appraisal committee

This committee is responsible for the archiving and disposal of scripts and other documents.

Board of survey

This committee oversees the disposal of assets.

Anticorruption Framework Committee

The committee has been set up as per recommendations of ICAC.

Bid Evaluations committee and Departmental Bid Committee

These committees ensure best practices and adherence to procurement procedures.

Fees and Allowance Committee

The committee examines and recommends fees and allowances for all MES Activities.

Role and Function of the Chairperson

The chairperson of the board of the MES is appointed in line with the provisions of the MES Act.

The chairperson provides overall leadership to the board and ensures implementation of strategies for monitoring and evaluating effectiveness of the board and management, so as to bring out the best in each member.

Separation of Powers between Chairman and Director

In accordance with the Code, there is a clear demarcation of responsibility between the chairman and the director to ensure a balance of power and authority in line with the provision of the MES act.

Role and Function of the Board Members

The MES board is led by its chairman whilst the director leads the executive management team responsible for the day-to-day running of the business and affairs of the MES.

Board members ensure that the policies and programmes of the government in relation to assessment are taken on board and effectively implemented by the Syndicate. They also ensure that the principles of good governance, accountability and integrity are upheld.

Remuneration of Board Members

The remuneration of board members are governed by the provisions laid down by the Pay Research Bureau (PRB).

Mrs D S Thanacody Soborun
Director

Executive MBA (University of Birmingham)
BSc (Hons) Mathematics
(York University, Canada)
MIE Teacher's License



Mrs Sandhya Chakowa
Principal Research and
Development Officer

Licence es lettres
Maitrise es lettres
Diplôme d'Etudes Approfondies (DEA)



Mr Leckraj Deejore
Principal Examinations Officer

Institute of Statistician Examinations
Preliminary Stage, 1, 2 & 3 (Final)



Mr Imdardally Jahangeer
Principal Examinations Officer

BA (Hons) Administration
PGCE



Mrs Parvatee Lalchand
Financial Manager

FCCA



Dr Bhai Imtehaze Ahsun
Principal Examinations Officer

Licence EEA
Master (MA) in Education
Doctorat en Electronique



Management Profile

The Chairman and board members are remunerated as recommended by the Pay Research Bureau. The Chairman of the MES Board receives a monthly fee of Rs 28,500/-. Other board members' fees are Rs 850/ per sitting and Rs 775/- where a member sits in a sub-committee.

Remuneration of Board Members

Statement of Remuneration Philosophy

The board delegates the appointment of all MES employees to the HR Committee and the Director. Remuneration of all the MES employees is conducted as per the latest report of the Pay Research Bureau (PRB). The HR Committee considers and recommends to the Board matters pertaining to the remuneration of the MES employees.

The remuneration of the Director is determined by the PRB.

A code of ethics for the syndicate has been devised and will be implemented after discussion with related parties. Staff has to swear an Oath of Allegiance and Secrecy in a court of law, as stipulated by MES Regulations.

Code of Ethics

Sustainability Reporting

The MES has developed and implemented social, safety, health and environmental policies and practices that in all material respects comply with existing legislative and regulatory frameworks.

In accordance with the provision of the Occupational Safety and Health Act, the MES has a part-time Health & Safety Officer who is responsible for monitoring and advising management on all matters pertaining to health hazards and safety measures to be taken within the MES premises. The Health & Safety Officer resigned in June 2015. Measures have been taken for the recruitment of a new Health & Safety officer.

Safety and Health

Related party transactions

Related party transactions have been disclosed as per notes to accounts in the financial statements.

There has been no political donation during the year.

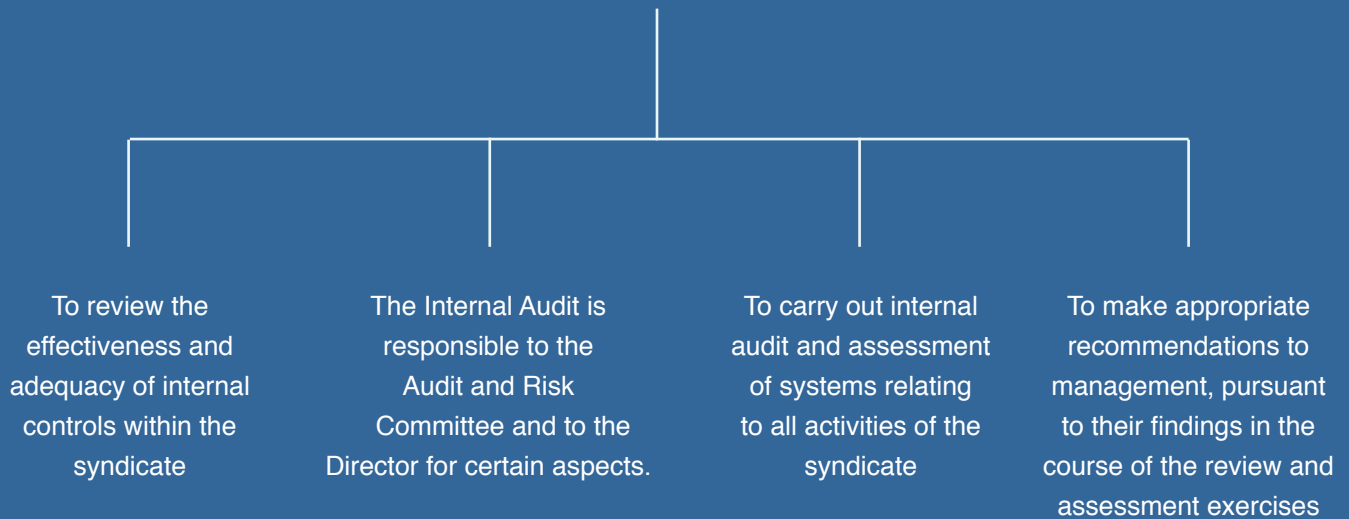
Political Donations

Internal Control and Risk Assessment

The Board has delegated to the Audit Committee the responsibility to report on the effectiveness of Internal Control. The Board has also entrusted to the Audit Committee the responsibility to ensure that Management identifies and manages inherent risks on a regular basis.

The syndicate operates in a regulated environment. A framework for an effective internal audit was set up on 27th April 2011, with principally the following duties and responsibilities:

Internal Audit Framework



Scope of work of the Internal Audit Department for year 2015

The internal audit conducted a risk assessment followed by an audit plan for the year 2015. Among many other audit areas, some of the audits conducted are as follows:

- (i) Audit of the leave files whilst ensuring adherence to policies laid down by Management.
- (ii) Verification of Sick Leave's refund for Year 2014 was also performed.
- (iii) Review of purchases at procurement section
- (iv) Examination of cash expenses procedure
- (v) Review of invigilation and marking processes
- (vi) Verification of paylists for invigilators and markers
- (vii) Review of passage benefits for officers on retirement / or who have passed away
- (viii) Reconciliation of cost incurred for local and overseas purchases made in respect of Science Practical Examinations.

REVIEW of 2015 EVENTS

Research and Development Section

The Research and Development Section conducts the following main activities throughout the year:

- Curriculum Development
- Development and implementation of new curriculum projects such as HSC Professional and the introduction of the Enterprise syllabus
- Paper setting
- Item analysis
- Training on different syllabuses with educators
- Research on various matters related to examinations and projects

Jan

HSC Pro introduction
in 11 pilot schools

Feb

Training of Educators on
HSC Pro

April

Briefing on CPE examinations
report in all zones

April

CIE Training for Maths,
Add Maths, English,
Biology, Physics and Chemistry

April

Research paper presented in AMC
Exam summit in South Africa.

May

Cascade training in A Level Sciences

June

Cambridge Outstanding award ceremony

July

UNESCO Workshop on GAP
and ESD

September

UNESCO workshop in
Zimbabwe

September

Training for Enterprise Syllabus

September

Visit from CIE and OCR (UK)
for HSC Pro

September

Consultancy services for
MOE for Std 4 and Std 5

November

Training of Educators on HSC Pro

Internal Assessment Section

The Internal Assessment Section is responsible for the Prevocational, DELF and NTC exams.

In addition, the section organised the following exams in 2015:

- (i) Brevet de Technicien examination
- (ii) Conservatoire National de Musique Francois Mitterand examination
- (iii) Brevet d'etat de Cadre sportif examination
- (iv) Competitive Examinations

Competitive examinations were conducted for the following organisations:

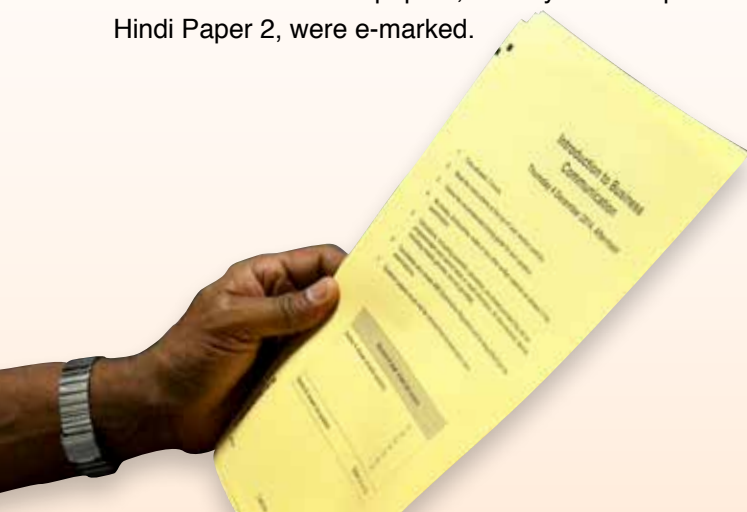
- (i) Ministry of Youth and Sports
- (ii) Ministry of Education
- (iii) State Trading Corporation
- (iv) Local Government Service Commission
- (v) Police Force in connection with Driving Instructor's Licence

Marking, Training & Development Section

The section organised local marking on behalf of CIE from 3rd November to 17 December 2015. 28 papers were marked and coursework for 2 papers were moderated.

In addition, the section organised training conducted by CIE resource persons for local marking for Art and Design and Hindi.

Electronic marking (E-marking) was successfully carried out for the first time. 2 papers, namely Hindi Paper 1 and Hindi Paper 2, were e-marked.



Professional Examinations Section

The Professional Examinations Section is responsible for the conduct of Professional Examinations on behalf of overseas institutions.

The section conducted examinations for about 75 institutions and 19,500 candidates in 2015. Some of the institutions are listed below:

- (i) Association of Chartered Certified Accountants (ACCA)
- (ii) British Computer Society (BCS)
- (iii) University of London
- (iv) University of South Africa (UNISA)
- (v) Management College of Southern Africa (MANCOSA)
- (vi) Association of Business Executives (ABE)
- (vii) Institute and Faculty of Actuaries (IOA)
- (viii) Institute of Chartered Accountant England and Wales (ICAEW)
- (ix) Associated Board of Royal School of Music (ABRSM)
- (x) Institute of Chartered Secretaries and Administrators (ICSA)

Most of the examinations are conducted at the MES while others are conducted at local training centres or secondary schools, under the supervision of the MES.

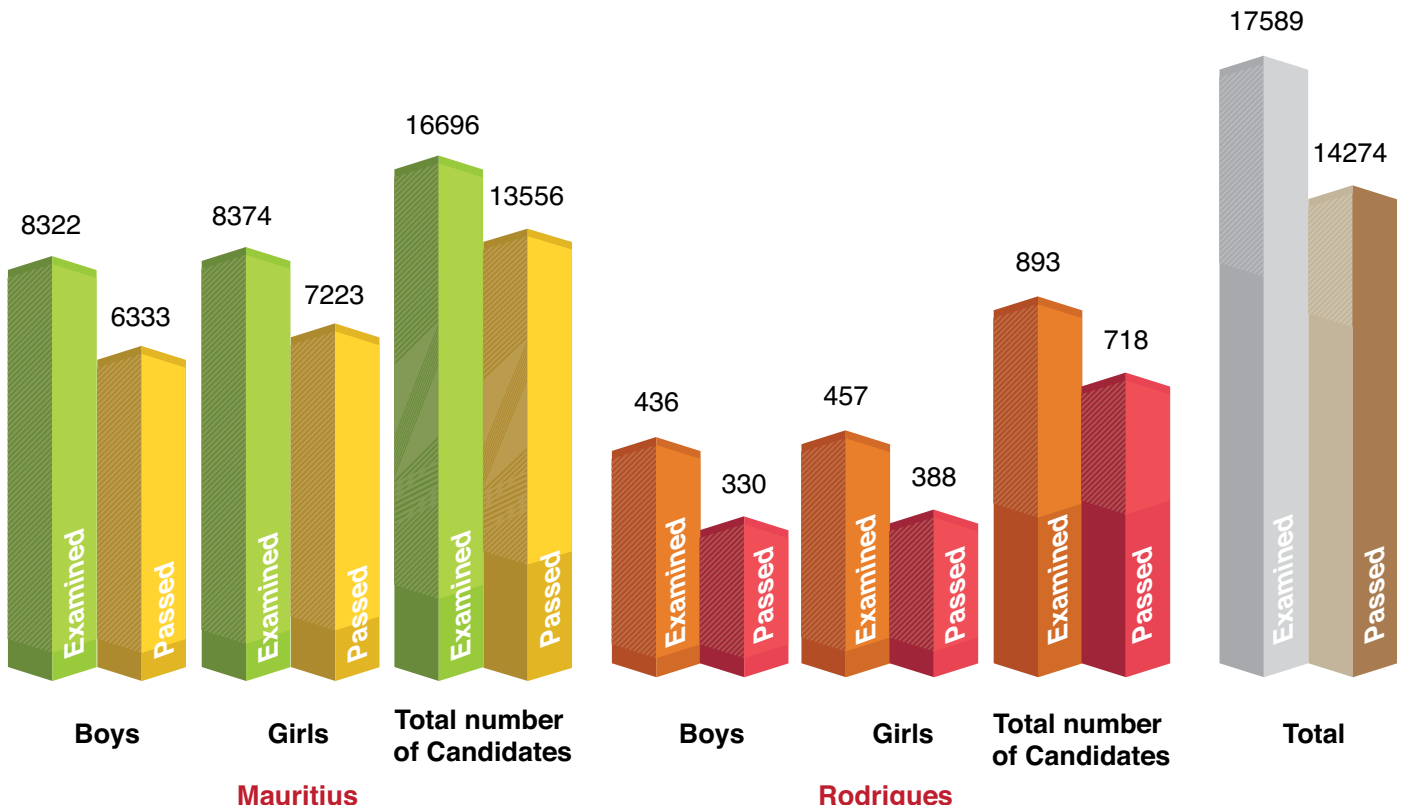
In the past few years, the section has also been involved in the conduct of:

- (i) Online Examinations, namely for City and Guilds and the University of South Wales
- (ii) Competitive Registration Examinations for doctors and dentists on behalf of the Ministry of Health and Quality of Life and the National Board of Examinations of India.

National Examinations Section (Ex CPE Section)

The National Examinations Section is responsible for the organisation and conduct of CPE Examinations. The examinations were held on Tuesday 27, Wednesday 28, Thursday 29 and Friday 30 October 2015.

Bar chart shows a breakdown of the results for Mauritius and Rodrigues



Bar Chart

The above figures refer to school candidates after resit.



Cambridge Examinations Section

The Cambridge Examinations Section (CES) is responsible for conducting Cambridge examinations, namely:

- (i) SC/GCE O-level examinations
- (ii) HSC/ GCE A-level examinations
- (iii) IGCSE examinations
- (iv) International Baccalaureat (IB) examinations

Conduct of SC/HSC Examinations

In 2015, the CES section conducted SC/GCE O-level and HSC/GCE A-level examinations as follows:

- May/June 2015
O-level: 24 April to 11 June
A-level: 29 April to 10 June
- October/November 2015
SC/O-level: 24 September to 24 November
HSC/A-level: 24 September to 20 November

Visit of Cambridge Inspector

Cambridge Inspector Mr Stuart Haggett visited Mauritius during the period 12 October 2015 to 23 October 2015. He visited several centres throughout Mauritius and inspected the conduct of examinations with particular emphasis on:

- Key Times and full centre supervision
- Security Arrangements
- The conduct of examinations
- The standard of the examination room/set up

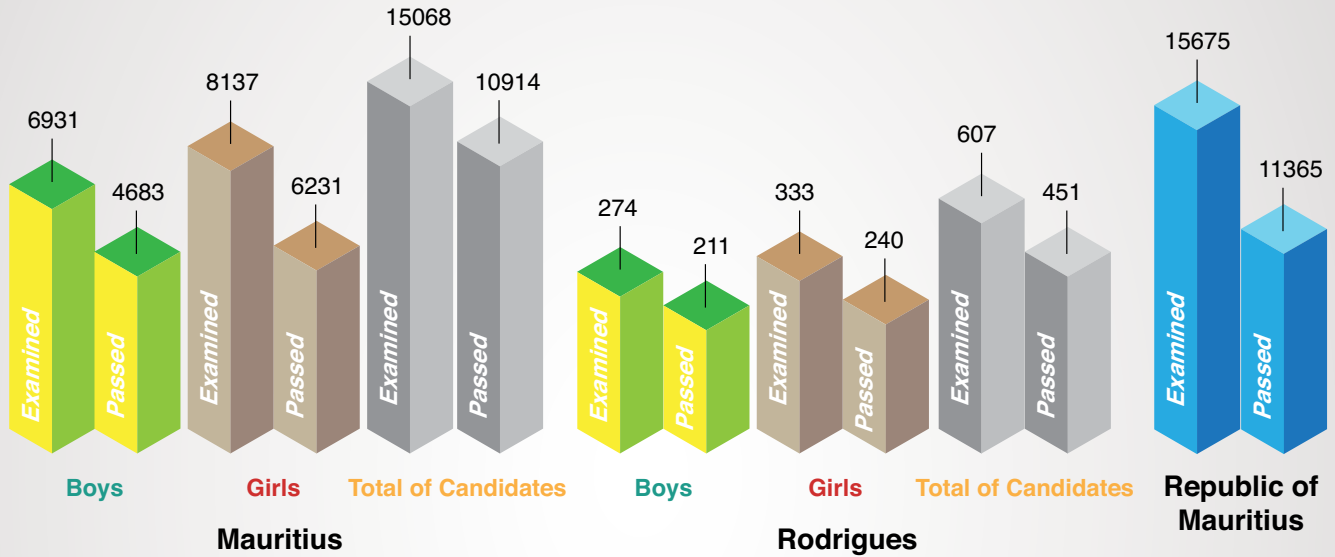
HSC/GCE A-LEVEL results

HSC/GCE A-LEVEL results were available online for the first time in February 2015.

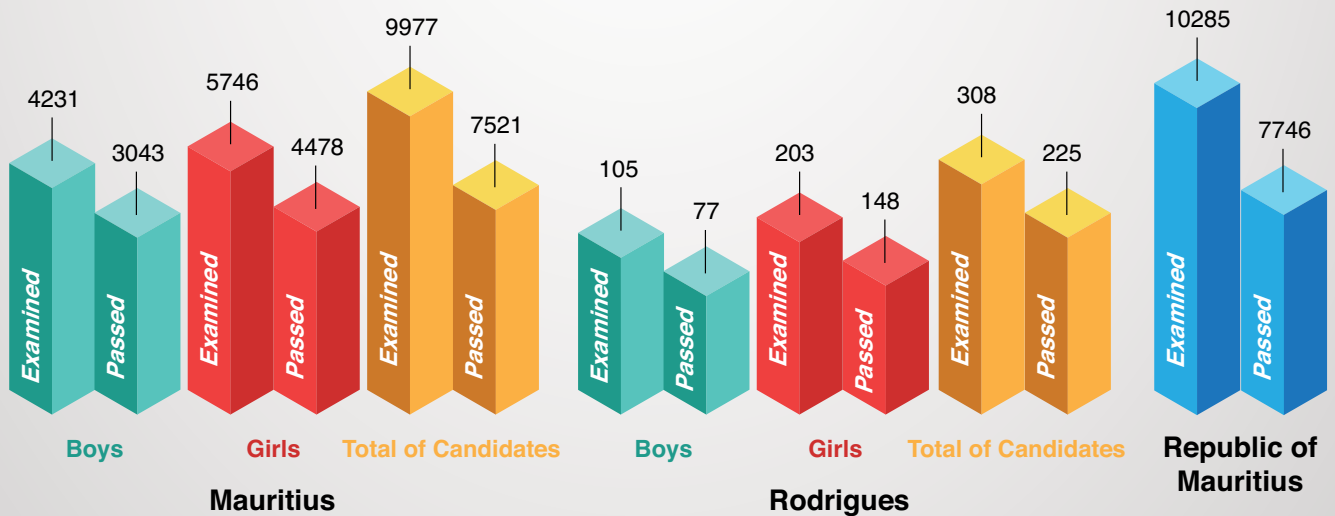
SC/HSC Performance 2015 for the Republic of Mauritius

The results of the School Certificate (SC) and Higher School Certificate (HSC) for the year 2015 are as follows:

School Certificate (SC)



Higher School Certificate (HSC)





Statement of Board Members' Responsibility

The members of the Mauritius Examinations Syndicate board acknowledge their responsibilities for:

- (i) Adequate accounting records and maintenance of effective internal controls systems.
- (ii) The preparation of financial statements which present the state of affairs of the syndicate fairly as at the end of the financial year and the results of its operation and cash flows for that period and which comply with International Financial Reporting Standards (IFRS).
- (iii) The selection of appropriate accounting policies supported by reasonable and prudent judgements.

The external auditor (i.e. the Director of Audit, National Audit Office) is responsible for reporting on whether the financial statements are fairly presented.

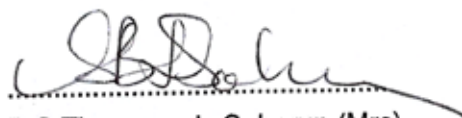
The Board Members report that:

- Adequate accounting records and an effective system of internal controls have been maintained.
- Appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently.
- Applicable accounting standards have been adhered to.

Signed on behalf of the Mauritius Examinations Syndicate board:



.....
Mr R Meettook
 Chairman



.....
D-S Thanacoody Soberun (Mrs)
 Director

Date: 26 / 10 / 2016



**REPORT OF THE
DIRECTOR OF AUDIT**

**On the Financial Statements
of the Mauritius Examination Syndicate
for the year ended 31 December 2015**

NATIONAL AUDIT OFFICE



NATIONAL AUDIT OFFICE

REPORT OF THE DIRECTOR OF AUDIT TO THE BOARD OF THE MAURITIUS EXAMINATION SYNDICATE

Report on the Financial Statements

I have audited the accompanying financial statements of the Mauritius Examination Syndicate which comprise the statement of financial position as of 31 December 2015 and the statement of financial performance and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Public Sector Accounting Standards and in compliance with the Statutory Bodies (Accounts and Audit) Act 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards of Supreme Audit Institutions. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In my opinion, the financial statements give a true and fair view of the financial position of the Mauritius Examination Syndicate as of 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards.

Report on Other Legal and Regulatory Requirements

Management's Responsibility

In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the laws and authorities which govern them.

Auditor's Responsibility

In addition to the responsibility to express an opinion on the financial statements described above, my responsibility includes expressing an opinion on whether 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.

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

Opinion on Compliance

Statutory Bodies (Accounts and Audit) Act

In my opinion, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the Statutory Bodies (Accounts and Audit) Act.

Public Procurement Act

The Mauritius Examination Syndicate is responsible for the planning and conduct of its procurement. It is also responsible for defining and choosing the appropriate method of procurement and contract type in accordance with the provisions of the Act and relevant Regulations. My responsibility is to report on whether the provisions of Part V of the Act regarding the Bidding Process have been complied with.

In my opinion, the provisions of Part V of the Act have been complied with as far as it appears from my examinations of the relevant records.



K.C.TSE YUET CHEONG(MRS)
Director of Audit

National Audit Office
Level 14,
Air Mauritius Centre
PORT LOUIS

31 October 2016



*Let the mind manage the body
Que l'esprit gère le corps*

MAURITIUS EXAMINATIONS SYNDICATE

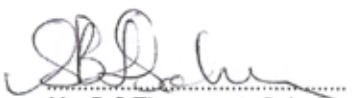
FINANCIAL STATEMENTS 2015



STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

	Note	31 December 2015	31 December 2014
		Rs	Rs
ASSETS			
Current Assets			
Cash & Cash Equivalents	5	293,869,209	166,008,857
Receivables	6,7	9,327,993	8,022,622
Inventories	8	4,303,759	3,879,015
Prepayments	9	988,055	653,667
		<u>308,489,016</u>	<u>178,564,161</u>
Non Current Assets			
Receivables	6,7	11,324,316	9,447,999
Property, Plant & Equipment	10	150,834,696	152,490,274
Intangible Assets	11	1,079,056	-
		<u>163,238,068</u>	<u>161,938,273</u>
Total Assets		471,727,084	340,502,434
LIABILITIES			
Current Liabilities			
Trade and Other Payables	12	25,528,738	21,950,864
Current Portion of long term borrowings	13	3,321,753	2,819,772
Employee benefits	14	6,389,593	4,357,214
		<u>35,240,084</u>	<u>29,127,850</u>
Non Current Liabilities			
Long Term Borrowings	13	11,758,840	9,400,379
Employee Benefits	14	41,959,138	42,555,692
Retirement Benefit Obligations	15	40,804,975	26,228,104
		<u>94,522,953</u>	<u>78,184,175</u>
Total Liabilities		129,763,037	107,312,025
Net Assets		341,964,047	233,190,409
NET ASSETS / EQUITY			
Revenue Reserves	16	335,497,682	226,638,702
Reserve Fund	17	5,000,000	5,000,000
Other Funds	18	1,155,651	1,137,422
Revaluation Reserve	19	310,714	414,285
Total Net Assets / Equity		341,964,047	233,190,409

The notes to the financial statements on pages 38-52 form an integral of these Financial statements.


 Mrs D S Thanacoody Soborun
 Director


 Mr R Meettook
 Chairperson

Date: 26 / 10 / 2016

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Year ended 31 Dec 2015	Year ended 31 Dec 2014
		Rs	Rs
Revenue	20	101,092,573	99,520,669
Other Income	21	318,881,606	246,913,472
TOTAL REVENUE		419,974,179	346,434,141
Administrative Expenses	22-25	188,950,427	184,425,666
Other Operating Expenses	26	122,164,772	122,228,269
TOTAL EXPENSES		311,115,199	306,653,935
SURPLUS FOR THE YEAR		108,858,980	39,780,206

The notes to the financial statements on pages 38-52 form an integral of these Financial statements.

STATEMENT OF CHANGES IN NET ASSETS/EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Revenue Reserves	Reserve Fund	Other Funds	Revaluation Surplus	Total
	Rs	Rs	Rs	Rs	Rs
Reporting Period	2014	2014	2014	2014	2014
Opening Balance	186,858,496	5,000,000	1,102,106	576,190	193,536,792
Movement during the year			35,316	(161,905)	(126,589)
Net surplus/(deficit) for the year	39,780,206				39,780,206
Closing Balance	226,638,702	5,000,000	1,137,422	414,285	233,190,409
	Revenue Reserves	Reserve Fund	Other Funds	Revaluation Surplus	Total
	Rs	Rs	Rs	Rs	Rs
Reporting Period	2015	2015	2015	2015	2015
Opening Balance	226,638,702	5,000,000	1,137,422	414,285	233,190,409
Movement during the year			18,229	(103,571)	(85,342)
Net surplus/(deficit) for the year	108,858,980				108,858,980
Closing Balance	335,497,682	5,000,000	1,155,651	310,714	341,964,047

The notes to the financial statements on pages 38-52 form an integral of these Financial statements.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

	Year ended 31 December 2015 Rs	Year ended 31 December 2014 Rs
Cash Flows from operating activities		
Surplus for the year	108,858,980	39,780,206
Interest Income	(1,333,008)	(5,399,245)
	<u>107,525,972</u>	<u>34,380,961</u>
Non-Cash Movements		
Retirement Benefit Obligations	14,576,871	13,852,317
Provision sick leaves	5,404,068	5,408,441
Provision for passage benefits	3,703,764	3,552,565
Depreciation & Amortisation	9,493,224	9,852,108
(Increase)/Decrease in Receivables	(904,580)	2,789,237
(Increase)/Decrease in Prepayments	(334,388)	(13,117)
(Increase)/Decrease in Inventories	(424,744)	1,774,284
Increase/(Decrease) in Payables	2,643,864	3,650,986
Net cash flows from operating activities	<u>141,684,051</u>	<u>75,247,782</u>
Cash Flows from investing activities		
Purchase of Property, Plant & Equipment	(7,466,319)	(14,914,867)
Purchase of Intangible Assets	(619,944)	
Interest Income	1,333,008	5,399,245
Other funds	18,229	35,316
Loan released to staff	(5,735,000)	(3,435,200)
Loan refunded by staff	3,457,892	4,116,467
Net Cash flows from investing activities	<u>(9,012,134)</u>	<u>(8,799,039)</u>
Cash Flows from financing activities		
Sick leave paid	(4,204,108)	(3,954,175)
Passage benefit paid	(3,467,899)	(3,232,232)
Loan received from Min of Education	6,235,000	3,435,200
Loan repaid to Min of Education	(3,374,558)	(3,955,645)
Net Cash flows from financing activities	<u>(4,811,565)</u>	<u>(7,706,852)</u>
Net increase in cash and cash equivalents	127,860,352	58,741,891
Cash & Cash Equivalents at beginning of period	166,008,857	107,266,966
Cash & Cash Equivalents at end of period	<u>293,869,209</u>	<u>166,008,857</u>

The notes to the financial statements on pages 38-52 form an integral of these Financial statements.

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

(a) **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of cash on hand, balances with banks, and investments in money

market instruments. Cash and cash equivalents included in the cash flow statement comprise the following statement of financial position amounts:

	FY 2015	FY 2014
	Rs	Rs
Current/ Savings Account	262,529,487	161,834,501
Foreign Currency Accounts	31,339,722	4,174,356
TOTAL	293,869,209	166,008,857

(b) **PROPERTY, PLANT & EQUIPMENT**

During the year MES acquired property, plant and equipment with an aggregate cost of Rs 7,671,453/- of which Rs 6,932,194/- was acquired by means of grants from the Ministry of Education and Human Resources, Tertiary Education and Scientific Research.

The balance of Rs 739,259/- was funded by MES funds.

Cash payments were made to purchase property, plant & equipment amounting to Rs7,447,105/- as at 31 December 2015 and the balance of Rs 224,348/- accrued .

(c) **INTANGIBLE ASSETS**

During the year MES acquired intangible assets with an aggregate cost of Rs1,348,820/- which was funded by MES funds.

Cash payments were made to pay for intangible assets amounting to Rs 619,944/- as at 31 December 2015 and the balance of Rs728,876/- accrued as at 31 December 2015.

STATEMENT OF COMPARISON OF BUDGETED AND ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED 31 DECEMBER 2015

	Note	Original Budget	Revised Budget	Actual Received/ Paid	Variance Revised and Original Budget	Variance Revised and Actual Budget	Financial Statements
		Rs	Rs	Rs	Rs	Rs	Rs
Revenue							
Revenue Grant Received from Min of Education	29.1(a), 29.2 (a)	345,316,777	336,779,106	311,908,349	8,537,671	24,870,757	311,908,349
Capital Grant received from Min of Education : Special Expenditure		370,956	185,478	41,063	185,478	144,415	41,063
Capital Grant received from Min of Education	29.2 (b)	9,900,000	9,894,789	6,932,194	5,211	2,962,595	6,932,194
MES Income: Local Fee and Others		67,091,017	40,871,040	81,435,339	26,219,977	(40,564,299)	87,289,417
TOTAL REVENUE		422,678,750	387,730,413	400,316,945	34,948,337	(12,586,532)	406,171,023
Expenditure							
Compensation of employees							
Personal Emolument							
Basic Salaries	29.1(b), 29.2 (c)	109,119,540	92,865,444	86,346,433	16,254,096	6,519,011	86,419,225
Superannuation		12,922,985	11,260,927	10,065,854	1,662,058	1,195,073	10,085,652
National Pension Scheme		169,736	123,951	112,637	45,785	11,314	113,318
Employees' Welfare Fund		1,718,280	1,427,219	1,220,542	291,061	206,677	1,225,535
Widows' & Children's Pension/Family Protection Scheme		2,153,831	1,915,754	1,731,216	238,077	184,538	1,733,401
Total Basic Salary		126,084,372	107,593,295	99,476,682	18,491,077	8,116,613	99,577,130
Extra Remuneration		2,644,200	2,311,722	1,858,607	332,478	453,115	1,859,120
Allowance(Responsibility& Others)		1,217,368	983,770	776,863	233,598	206,907	787,428
Extra Assistance		6,621,389	4,862,145	4,221,061	1,759,244	641,084	4,216,646
End of year Bonus		9,376,295	9,397,482	7,613,784	(21,187)	1,783,698	7,621,789
Total		145,943,624	125,148,414	113,946,997	20,795,210	11,201,417	114,062,114

	Original Budget	Revised Budget	Actual Received/ Paid	Variance Revised and Original Budget	Variance Revised and Actual Budget	Financial Statements
	Rs	Rs	Rs	Rs	Rs	Rs
Other Staff Cost						
Travelling Bus fare Staff	5,939,077	5,489,736	5,464,310	449,341	25,426	5,475,153
Commuted Trav Staff/ Cash in lieu of Duty Free	3,252,839	3,032,003	3,020,330	220,836	11,673	3,020,330
Petrol Allowance	142,380	106,712	103,887	35,668	2,825	103,887
Travel Grant	2,585,219	2,517,018	2,481,779	68,201	35,239	2,481,779
Extra Duty Allowance/Over-time	9,395,151	8,500,000	7,405,472	895,151	1,094,528	8,381,282
Insurance of Staff	472,946	475,000	471,410	(2,054)	3,590	454,935
Sick Leave Pay	2,024,184	4,300,000	4,131,765	(2,275,816)	168,235	4,204,108
Passages Benefit	3,533,756	4,151,797	3,467,899	(618,041)	683,898	3,467,899
Medical Scheme employer	1,331,377	1,400,000	1,369,320	(68,623)	30,681	1,370,987
Total	28,676,929	29,972,266	27,916,172	(1,295,337)	2,056,094	28,960,360
TOTAL STAFF COSTS	174,620,553	155,120,680	141,863,169	19,499,873	13,257,511	143,022,473
Goods and services						
Cost of utilities						
Electricity Charges	4,699,348	4,034,259	3,501,088	665,089	533,171	3,527,715
Telephone Bills	3,282,118	2,790,574	2,350,714	491,544	439,860	2,316,888
Water Charges	126,011	114,195	91,129	11,816	23,066	88,760
Audit Fee	255,256	255,256	220,000	0	35,256	220,000
Legal / Professional fees	180,529	160,000	158,800	20,529	1,200	159,700
Incidentals	1,406	704	702	702	704	702
Total	8,544,668	7,354,988	6,321,731	1,189,680	1,033,257	6,313,064

	Note	Original Budget	Revised Budget	Actual Received/ Paid	Variance Revised and Original Budget	Variance Revised and Actual Budget	Financial Statements
		Rs	Rs	Rs	Rs	Rs	Rs
Fuel & Oil							
Fuel		232,104	187,334	147,346	44,770	39,988	143,567
Total		232,104	187,334	147,346	44,770	39,988	143,567
Rent							
Rental of Locker		3,623	3,450	3,450	173	-	3,450
Total		3,623	3,450	3,450	173	-	3,450
Special Expenditure							
Office Equipment/Furniture&Fittings		370,956	185,478	41,063	185,478	144,415	41,063
Mes Restructuration							
Total		370,956	185,478	41,063	185,478	144,415	41,063
Office Expenses							
Postage		601,328	903,869	523,331	(302,541)	380,538	524,995
Office Requisites		3,048,059	3,225,027	2,925,268	(176,968)	299,759	2,565,769
Total		3,649,386	4,128,896	3,448,599	(479,510)	680,297	3,090,764
Maintenance							
Repair&Maintenance Premises	29.1(d)	8,128,755	1,878,545	1,122,872	6,250,210	755,673	1,149,408
Repair & Maintenance Equipment		6,788,674	2,542,517	2,022,655	4,246,157	519,862	2,230,163
Repair& Maintenance of Motor-Vehicles		402,891	378,096	282,585	24,795	95,511	310,994
Repair& Maintenance of IT		2,003,864	1,800,000	1,730,993	203,864	69,007	1,372,616
Rep & Maintenance of furniture,- fixtures & fittings		59,690	129,552	114,428	(69,862)	15,124	114,428
Insurance Premises		216,737	105,000	102,239	111,737	2,761	102,239
Insurance Equipment		214,558	70,000	67,561	144,558	2,439	67,561
Total		17,815,170	6,903,710	5,443,333	10,911,460	1,460,377	5,347,408

	Note	Original Budget	Revised Budget	Actual Received/ Paid	Variance Revised and Original Budget	Variance Revised and Actual Budget	Financial Statements
		Rs	Rs	Rs	Rs	Rs	Rs
Security Services							
Security Guard		454,972	995,000	983,075	(540,028)	11,925	974,237
Total		454,972	995,000	983,075	(540,028)	11,925	974,237
Publication and Stationary							
Stationary Bond paper		1,955,146	1,955,146	-	-	1,955,146	1,365,824
Stationary Paper Others		439,537	399,672	260,511	39,865	139,161	144,320
Printing		1,347,537	835,385	749,811	512,152	85,574	658,045
Books & Periodicals		24,321	40,000	39,271	(15,679)	730	30,337
Publicity		184,701	115,185	73,862	69,516	41,323	73,862
Publication		12	12	-	0	12	
Newspaper		25,211	22,221	20,955	2,990	1,266	20,955
Total		3,976,466	3,367,621	1,144,410	608,845	2,223,212	2,293,342
Missions Expenses							
Missions Expenses			550,000	494,284	(550,000)	55,716	520,234
Subsistence Allowance							
Total		-	550,000	494,284	(550,000)	55,716	520,234
Fees							
Chairman & Board Members		550,000	229,169	15,560	320,831	213,609	40,960
Training of Staff		1,000,000	550,526	169,570	449,474	380,956	169,570
Examination Expenses	29.1(c), 29.2(e)	135,163,477	132,172,452	102,077,273	2,991,025	30,095,179	102,634,071
Total		136,713,477	132,952,147	102,262,403	3,761,330	30,689,744	102,844,601
Uniforms							
Uniforms		328,197	413,115	332,062	(84,918)	81,053	328,302
Total		328,197	413,115	332,062	(84,918)	81,053	328,302

	Note	Original Budget	Revised Budget	Actual Received/Paid	Variance Revised and Original Budget	Variance Revised and Actual Budget	Financial Statements
		Rs	Rs	Rs	Rs	Rs	Rs
Other Goods & Services							
Hospitality & Ceremonials		757,325	1,100,000	1,005,842	(342,675)	94,158	888,504
Links with overseas Bodies		1,721,990	827,386	43,870	894,604	783,516	43,870
Total		2,479,315	1,927,386	1,049,712	551,929	877,674	932,374
TOTAL		174,568,334	158,969,125	121,671,468	15,599,209	37,297,657	122,832,406
OTHERS							
Transport/Travelling i.c.w Exams	29.2(d)	13,601,392	12,647,114	11,516,864	954,278	1,130,250	12,150,101
Printing of CPE Q/P Overseas&Freight		12,002,524	12,002,524	8,806,946	(0)	3,195,578	7,555,352
Setting&Moderation Exercise of CPE Question Papers overseas& Item Banking		6,184,500	5,476,503	-	707,997	5,476,503	
Rental of Premises for Exams		1,267,267	1,395,184	-	(127,917)	1,395,184	
Security/Quality Assurance SC/ HSC Examinations		500,000	500,000	-	-	500,000	
Total		33,555,683	32,021,325	20,323,810	1,534,358	11,697,515	19,705,453
TOTAL RECURRENT EXPENDITURE		382,744,570	346,111,130	283,858,447	36,633,440	62,252,683	285,560,332

**STATEMENT SHOWING RECONCILIATION OF ACTUAL CASH FLOWS WITH FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Year ended 31-Dec-15 Rs
Actual Revenue as per Statement of Comparison	400,316,945
Other source of Income	13,692,568
Creditor write back to Revenue	110,588
Closing Revenue Receivable	5,854,078
Revenue as per Statement of Financial Performance	419,974,179
Actual Expenditure as per Statement of Comparison	283,858,447
Capital Expenditure	(41,063)
Non cash items :	
Depreciation & Amortisation	9,493,224
Provision for sick leave	1,199,960
Provision for passage Benefit	235,865
Discounted Passage Written back to Revenue	89,709
Increase in pension cost as per IPSAS 25	14,576,871
Accounting adjustments :	
Opening and closing Accruals	2,371,315
Opening and closing Prepayments	(244,385)
Opening and closing stock	(424,744)
Expenditure as per Statement of Financial Performance	311,115,199



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1 **REPORTING ENTITY**

The Mauritius Examinations Syndicate is a parastatal body established under the Mauritius Examinations Syndicate Act 4 of 1984.

It operates under the aegis of the Ministry of Education and Human Resources, Tertiary Education and Scientific Research and has as main objects the following:

- (a) to organise and conduct such examinations as may be directed by the Minister;
- (b) to engage in relevant research and other related activities tending to promote the development of a sound system of examinations;
- (c) to award certificates; and
- (d) to cooperate with other examination bodies

2 **BASIS OF PREPARATION**

(a) **Statement of Compliance**

The financial statements have been prepared in accordance with International Public Sector Accounting Standards ("IPSAS") issued by the International Public Sector Accounting Board (IPSASB) which is a Board of the International Federation of Accountants Committee (IFAC)

(b) **Going Concern**

The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period. They have been prepared on the historical cost basis.

(c) **Use of Estimate**

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

In the application of the MES's accounting policies, which are described in Note 4, management are required to make judgements, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the estimate affects only that period or in the period of revision and future periods if the revision affects both current and future periods. Estimates include but are not limited to fair valuation of inventories, accounts receivables, accrued charges, contingent assets and liabilities, and degree of impairment of property, plant and equipment and intangibles.

(d) **Functional and Presentation of Currency**

The financial statements are presented in Mauritian Rupees. Roundings have been done where applicable to the nearest rupee.

(e) **Reporting Date**

Financial Statements have been prepared for the Year 01 January 2015 to 31 December 2015. Comparatives figures relate to the year 01 January 2014 to 31 December 2014.

(f) **Measurement Base**

The accounting principles recognised as appropriate for the measurement and reporting of the financial performance, cash flows, and financial position on an accrual basis using historical cost are followed in the preparation of the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

3 IPSAS ISSUED BUT NOT YET EFFECTIVE

IPSAS 3 (Accounting Policies, Changes in Accounting Estimates and Errors) requires disclosure of new IPSAS that have been issued but are not yet effective:

- (a) IPSAS 34 – Separate Financial Statements
Effective for annual financial statements covering periods beginning on or after 1 January 2017
- (b) IPSAS 38 - Disclosure of Interests in Other Entities

Effective for annual financial statements covering periods beginning on or after 1 January 2017

4 ACCOUNTING POLICIES

The principal accounting policies of the Syndicate are as follows:

4.01 Revenue Recognition

Revenue has been accounted on an accrual basis. The main sources of the Syndicate's revenue are:

- (i) Grant from Government of Mauritius
- (ii) Income from conduct of examinations
- (iii) Gains and losses arising from foreign currency transactions are included in the statement of financial performance.

4.02 Expenses

All expenses have been accounted on an accrual basis.

4.03 Grants

The revenue necessary to finance expenditure of MES is derived from the National Assembly by means of Annual Estimates and the corresponding Appropriation Act. Grants are credited to Statement of Financial Performance in the year of receipt to the extent that they match all related costs which they are intended to compensate. In accordance with IPSAS 23, Revenue from non-exchange transactions, capital grants are recognised as revenue.

4.04 Inventories

Inventories consist principally of stationery and office requisites. Inventories are measured at the lower of cost and current replacement cost.

4.05 Foreign Currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated in the local currency using the rate of exchange ruling at the statement of financial position date. Gains and losses arising from foreign currency transactions are included in the statement of financial performance.

4.06 Events after the Reporting Date

No events have occurred since the statement of financial position date which are of such importance that they would require adjustments to or disclosure in the Financial Statements.

4.07 Comparative Figures

When an accounting policy is changed with retrospective effect, comparative figures are restated in accordance with the new policy.

4.08 Property, Plant and Equipment

Property, plant and equipment are initially recognized as assets at cost if it is probable that future economic benefits associated with the items will flow to the Syndicate and their costs can be measured reliably.

Depreciation is calculated on straight-line basis to recognise the consumption of economic benefits of an asset over its useful life.

The annual rates used are as follows:

Furniture and Fittings	10%
Computer Equipment	20%
Equipment	15% & 10% for final year
Loose Tools	33.33%
Motor Vehicles	20%
Building	2%

Property, plant and equipment are stated at historical cost or revalued amount less any accumulated depreciation and any accumulated impairment losses. Profit or loss on disposal of property, plant and equipment is determined by the difference between the carrying value of the asset and its disposal proceeds and is accounted for in the Statement of Financial Performance.

Depreciation is accounted for in the Statement of Financial Performance, except for that part which relates to the revalued portion of assets which is charged to the revaluation reserve.

4.09 Intangible assets

Intangible assets are stated at historical cost less accumulated amortization and any impairment losses. Amortization is provided over the estimated useful life using the straight line method. The estimated useful life for intangible asset classes is as follows:

Software acquired externally / Licences 20%

No comparatives have been shown for previous years as the figures are not material

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

4.10 Impairment of Assets/ Revaluation

Impairment of Assets

At each Statement of Financial Position date, the Syndicate reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Syndicate estimates the recoverable amount of the cash generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

An impairment loss is recognized immediately in the Statement of Financial Performance, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

A reversal of impairment is recognized immediately in the Statement of Financial Performance, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as revaluation increase.

Revaluation of Assets

Any increase arising on revaluation is credited to a Revaluation Surplus account in Statement of Changes in Net Assets/Equity except to the extent that it reverses a revaluation decrease for the same asset previously recognised in Statement of Financial Performance.

4.11 Financial Instruments

Financial assets and financial liabilities are recognized when the Syndicate becomes a party to the contractual provisions of the financial instruments until such time when the rights to receive cash flows from those assets have expired or have been transferred and the MES has transferred substantially all the risks and rewards of ownership. The Syndicate's accounting policies in respect of the main financial instruments are as follows:

(a) Trade and Other Receivables

Trade and other receivables are stated at their nominal value as reduced for estimated irrecoverable amounts.

(b) Loan

Loans comprise advances made to employees for the acquisition of motor cars and motorcycles. Loans bear interest at the rate of 7.5% per annum for loans contacted prior to 01 January 2013.

As from 01 January 2013, in accordance with PRB Report 2013, loans bear interest at the rate of 4% per annum. The repayment terms vary between five and seven years (4 years for subsequent purchases for Officers drawing monthly salary in the range of Rs 77,000/- up to Rs 95,000/- except Accounting/Responsible Officers drawing salary of Rs 95,000/- a month).

(c) Cash and Cash Equivalent

Cash and cash equivalent comprise cash at bank, cash in hand and deposit with banks.

(d) Trade and Other Payables

Trade and other payables are stated at their nominal amount.

Gains and losses arising from changes in the fair value of financial instruments are included within the statement of financial performance in the period in which they arise.

4.12 Provisions

A provision is recognised in the statement of financial position when the Syndicate has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate.

4.13 Employee Entitlements

Employee entitlements to salaries, pensions, costs, and other benefits are recognised when they are earned.

Employees are allowed to accumulate sick leaves not taken at the end of each calendar year up to a maximum of 110 days, in a sick leave bank as at 31 December 2015.

The balance of sick leave is valued at the end of the financial year and is recognised as long term payables.

Beyond this ceiling of 110 days, officers are refunded part of the annual entitlement of sick leaves not taken at the end of every calendar year.

A provision is made for the estimated liability for passage benefits. The passage benefits for each staff are valued at year end and are included in long term payables.

Based on past experience an amount has been transferred from long term liabilities to short term liabilities to provide for any forthcoming payments of passage in the next financial year.

Other Post Employment Benefits

Provision for accrued Vacation Leaves

No provision is made for the estimated liability for vacation leave as employee benefits for accumulated vacation leave can only be cashed in extremely rare cases.

4.14 Retirement Benefits Obligations

a) Defined Benefit Plan

Provision for retirement benefits to employees of the Syndicate is made under the Statutory Bodies Pension Funds Act, as subsequently amended. The Scheme is a Defined Benefit Plan which is partly funded by the Syndicate (11.5%) and the employee (6%). Its assets are managed by the State Insurance Company of Mauritius Ltd.

Following the setting up of the Public Pensions Defined Contribution Pension Scheme, with effect from January 2013 all new entrants in a statutory body shall henceforth join the new PPDCPS and shall earn benefits according to the new provisions as compared to existing members who shall continue to be members of the existing Defined Benefits Scheme and earn benefits according to the existing provisions.

The contribution rates for the PPDCPS for permanent and full time employees shall be 6% from the latter and 12% from the Employer.

An actuarial valuation was carried for the year ended 31 December 2015 to determine the present value of the defined benefit obligations and the related current service cost.

The present value of the defined benefit obligations is recognized in the Statement of Financial Position after adjusting the fair value of the plan's assets, any unrecognized actuarial gains and losses and any unrecognized past service.

The net total of the current service cost, interest cost, expected returns on plan's assets, fund expenses, any recognized actuarial gains and losses, any recognized past service cost and the effect of any curtailment or settlement is recognized in the statement of financial performance.

A portion of the actuarial gains and losses is recognized as income or expense if the net cumulative unrecognized actuarial gains and losses at the end of the previous accounting period exceeded the greater of:

- (i) 10% of the present value of the defined benefit obligations; and
- (ii) 10% of the fair value of the plan assets at that date.

The "10% corridor" approach has been used for the recognition of the actuarial loss as at 31 December 2015. It has been spread over the average remaining working life time of existing members that is 16 years.

(b) State Pension Plan

Contributions to the National Pension Scheme on behalf of temporary and contract employees are expensed in the statement of financial performance in the period in which they fall due.

(c) Family Protection Scheme

This scheme is established by the Civil Service Family Protection Scheme Act.

Under this Act every public officer shall, from the date of his appointment, make a contribution to the Scheme at the rate specified in the Schedule, until he attains the age of 60 or optionally up to 65 years as provided in the PRB Report 2008 or until he ceases to be a public officer.

4 % of the monthly salary of each employee on the permanent and pensionable establishment is paid to the State Insurance Company of Mauritius Ltd which manages the scheme. The Syndicate contributes 2% and the remaining 2% is paid by each employee. On the death of the contributor, his surviving spouse and children are granted a pension at the rate specified in the Act. The pension granted ceases on the death of the surviving spouse or remarriage.

4.15 Use of Estimates and Judgement

The preparation of financial statements in accordance with International Public Sector Accounting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from these estimates.

4.16 Risk Management Policies

Liquidity Risk

This refers to the possibility of default by the Syndicate to meet its obligation because of unavailability of funds to meet operational requirement. In order to ensure adequacy of its funding, cash flow forecasts are prepared periodically to identify any shortage of funds.

The expenditure of the Syndicate is also matched against budgeted estimates to be within targeted limits.

Credit Risk

In the normal course of business, MES incurs credit risk from trade accounts receivable. MES manages its exposure to credit risk by an effective debtors reporting system.

Interest Rate Risk

MES is not exposed to any interest rate risk on car loans to staff as it is government secured. The interest rate risk associated with car loans to staff is considered minimal.

4.17 Taxation

No provision has been made in the financial statements for income tax and value added tax, on the basis that the Syndicate is exempted.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

4.18 RELATED PARTIES

Related parties include:

- (a) individuals or other entities
- (b) parties, other government ministries/departments and parastatal bodies if they have the ability, directly or indirectly to control the MES or exercise significant influence over the financial and operating decision making or vice versa
- (c) key management personnel and close members of the family of key management personnel

5	CASH & CASH EQUIVALENTS	31 December 2015	31 December 2014
		Rs	Rs
	Current/ Savings Account	262,529,487	161,834,501
	Foreign Currency Accounts	31,339,722	4,174,356
	TOTAL	293,869,209	166,008,857

Cash and Cash Equivalents include examination fees owed to Examination Bodies amounting to Rs8,784,662/- as at 31 December 2015.

As from the period Jan to Dec 2015, Unrealised Gain/Loss on retranslation of Cash & Cash Equivalents at year end are being accounted for, in individual foreign currency bank accounts.

6	RECEIVABLES	31 December 2015	31 December 2014
		Rs	Rs
	Deposits for CEB, CWA, GAS CYLINDERS, MTS	246,055	246,055
	Car Loan Balance	3,256,277	2,855,486
	Debtors	5,854,078	4,859,177
	Unrealised Gain/ (Loss) on Retranslation	(28,417)	61,904
	Amount due at 31 December	9,327,993	8,022,622

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

7	RECEIVABLES - CAR LOAN	31 December 2015	31 December 2014
		Rs	Rs
	Receivables under non current assets represent the non current portion of car loans granted to M.E.S staff		
	Amount due as at 01 Jan	12,303,485	12,984,752
	Loan released to staff	5,735,000	3,435,200
	Loan refunded by staff	(3,457,892)	(4,116,467)
	Amount due at 31 December	14,580,593	12,303,485
	Deduct: Amount falling due within one year	(3,256,277)	(2,855,486)
	Amount falling due after more than one year	11,324,316	9,447,999
		31 December 2015	31 December 2014
		Rs	Rs
8	INVENTORIES		
	Stationery	3,117,003	3,102,920
	Office Requisites	1,186,756	776,095
	TOTAL	4,303,759	3,879,015
		31 December 2015	31 December 2014
		Rs	Rs
9	PREPAYMENTS		
	Prepaid expenses	988,055	653,667

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

10 PROPERTY, PLANT AND EQUIPMENT

	Furniture & Fittings	Computer Equipment	Equipment	Loose Tools	Motor Vehicles	Buildings	Total
	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Reporting Period	2015	2015	2015	2015	2015	2015	2015
Opening Balance NBV	2,723,127	3,036,369	13,884,022	38,884	1,951,965	130,855,907	152,490,274
Additions	128,522	2,900,987	145,080	9,909	-	4,486,955	7,671,453
Disposals							-
Depreciation	614,838	1,697,797	3,102,113	23,903	208,020	3,576,789	9,223,460
Revaluation Reserve					103,571		103,571
Closing Balance NBV	2,236,811	4,239,559	10,926,989	24,890	1,640,374	131,766,073	150,834,696
Cost	12,467,343	35,968,087	59,110,469	294,426	6,183,750	178,839,435	292,863,510
Accumulated Depreciation	10,230,532	31,728,528	48,183,480	269,536	4,543,376	47,073,362	142,028,814
Revaluation Reserve							
Carrying Amount	2,236,811	4,239,559	10,926,989	24,890	1,640,374	131,766,073	150,834,696
	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Reporting Period	2014	2014	2014	2014	2014	2014	2014
Opening Balance NBV	3,300,350	3,596,790	4,871,882	23,608	1,683,620	134,093,956	147,570,206
Additions	130,522	1,157,418	12,302,210	54,830	1,040,100	249,001	14,934,081
Disposals							-
Depreciation	707,745	1,717,839	3,290,070	39,554	609,850	3,487,050	9,852,108
Revaluation Reserve					161,905		161,905
Closing Balance NBV	2,723,127	3,036,369	13,884,022	38,884	1,951,965	130,855,907	152,490,274
Cost	12,338,821	33,067,100	58,965,389	284,517	6,183,750	174,352,480	285,192,057
Accumulated Depreciation	9,615,694	30,030,731	45,081,367	245,633	4,231,785	43,496,573	132,701,783
Revaluation Reserve							
Carrying Amount	2,723,127	3,036,369	13,884,022	38,884	1,951,965	130,855,907	152,490,274

11 INTANGIBLE ASSETS

	Software (Rs)
Reporting Period	2015
Opening Balance NBV	-
Additions	1,348,820
Disposals	-
Amortisation	269,764
Closing Balance NBV	1,079,056
Cost	1,348,820
Accumulated Amortisation	269,764
Carrying Amount	1,079,056

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

12	ACCOUNTS PAYABLE	31 December 2015	31 December 2014
		Rs	Rs
	Amounts Owed to Examinations Bodies	8,784,662	9,041,439
	Accruals	17,172,710	13,480,751
	Unrealised(Gain)/ Loss on Retranslation	(428,634)	(571,326)
	Total Accounts Payable	25,528,738	21,950,864
13	LONG TERM LOANS		
	Long term loans represent the non current portion of car loan granted by the Ministry of Education to M.E.S staff		
		31 December 2015	31 December 2014
		Rs	Rs
	Amount as at 01 January	12,220,151	12,740,596
	Loan Received from Min. Of Education/ Transferred	6,235,000	3,435,200
	Loan repaid to Min of Education/Transferred	(3,374,558)	(3,955,645)
	Total car loans	15,080,593	12,220,151
	Deduct: Amount falling due within one year	(3,321,753)	(2,819,772)
	Amount falling due after more than one year	11,758,840	9,400,379
14	EMPLOYEE BENEFITS		
14.1	PROVISION FOR SICK LEAVE	31 December 2015	31 December 2014
		Rs	Rs
	At 1 January	35,540,326	34,086,060
	Payment during the year	(4,204,108)	(3,954,175)
	Provision for the year	5,404,068	5,408,441
	At 31 December	36,740,286	35,540,326
	Less Amount falling due within one year	(3,755,882)	(1,777,015)
	Amount falling due after more than one year	32,984,404	33,763,311
14.2	PROVISION FOR PASSAGE BENEFITS	31 December 2015	31 December 2014
		Rs	Rs
	As at 1 January	11,372,579	11,052,245
	Payment during the year	(3,467,899)	(3,232,232)
	Discounted Passage Written back to Revenue	(89,709)	(94,498)
	Provision for the year	3,793,474	3,647,064
	As at 31 December	11,608,445	11,372,579
	Less amount falling due within one year	(2,633,711)	(2,580,198)
	Amount falling due after more than one year	8,974,734	8,792,381

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

15 RETIREMENT BENEFIT OBLIGATIONS

The following employee benefits information is based on the report submitted by SICOM

	Year ending 31 December 2015	Year ending 31 December 2014
(i) Amounts recognised in the statement of financial position at end of year:		
Present value of funded obligation	452,206,399	398,085,799
(Fair value of plan assets)	(252,092,120)	(251,284,723)
	200,114,279	146,801,076
Present value of unfunded obligation	-	-
Unrecognised actuarial gain/(loss)	(159,309,304)	(120,572,972)
Liability recognised in statement of financial position at end of year	40,804,975	26,228,104
(ii) Amounts recognised in statement of financial performance:		
Current service cost	12,909,249	11,599,815
(Employee Contribution)	(5,093,748)	(4,953,545)
Fund expenses	270,177	360,693
Interest Cost	29,856,435	30,203,421
(Expected return on plan assets)	(18,790,667)	(19,162,313)
Actuarial loss/(gain) recognised	5,047,775	5,080,557
Total, included in staff costs	24,199,221	23,128,628
(iii) Movements in liability recognised in statement of financial position:		
At start of year	26,228,104	12,375,787
Total staff cost as above	24,199,221	23,128,628
(Contributions paid by employer)	(9,622,350)	(9,276,311)
At end of year	40,804,975	26,228,104
Actual return on plan assets:	3,506,956	13,270,121
(iv) Main actuarial assumptions at end of year:		
Discount rate	7.50%	8.00%
Expected rate of return on plan assets	7.50%	8.00%
Future salary increases	5.00%	5.50%
Future pension increases	3.00%	3.50%

The assets of the plan are invested in funds managed by State Insurance Company of Mauritius Ltd.

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

(v) Reconciliation of the present value of defined benefit obligation

Present value of obligation at start of period	398,085,799	377,542,761
Current service cost	12,909,249	11,599,815
Interest Cost	29,856,435	30,203,421
(Benefits paid)	(15,930,919)	(16,897,796)
Liability (gain) / Loss	27,285,835	(4,362,402)
Present value of obligation at end of period	452,206,399	398,085,799

(vi) Reconciliation of fair value of plan assets

Fair value of plan assets at start of period	251,284,723	241,043,235
Expected return on plan assets	18,790,667	19,162,313
Employer contributions	9,622,350	9,276,311
Employee contributions	5,093,748	4,953,545
(Benefits paid + other outgo)	(16,201,096)	(17,258,489)
Asset gain / (loss)	(16,498,272)	(5,892,192)
Fair value of plan assets at end of period	252,092,120	251,284,723

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

15 RETIREMENT BENEFIT OBLIGATIONS (Continued)

	Year ending 31 December 2015	Year ending 31 December 2014
(vii) Distribution of plan assets at end of period		
Percentage of assets at end of period		
Government securities and cash	58.1%	57.1%
Loans	4.3%	4.1%
Local equities	15.9%	21.1%
Overseas bonds and equities	21.0%	17.0%
Property	0.7%	0.7%
Total	100.0%	100.0%
(viii) Additional disclosure on assets issued or used by the reporting entity		
Percentage of assets at end of year	31 December 2015	31 December 2014
	(%)	(%)
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
(ix) History of obligations, assets and experience adjustments		
Period ending	31 December 2015	31 December 2014
Currency	Rs	Rs
Fair value of plan assets	252,092,120	251,284,723
(Present value of defined benefit obligation)	(452,206,399)	(398,085,799)
Surplus/(deficit)	(200,114,279)	(146,801,076)
Asset experience gain/(loss) during the period	(16,498,272)	(5,892,192)
Liability experience gain/(loss) during the period	(27,285,835)	4,362,402
Year	2016	2015
Expected employer contributions	10,026,311	9,714,942

For FY 2015, new entrants to the Public Pensions Defined Contribution Scheme have contributed Rs 231,832/- and MES has contributed RS 463,302/- towards the PPDCPS.

16	REVENUE RESERVES:	31 December 2015	31 December 2014
		Rs	Rs
	As at 1 January	226,638,702	186,858,496
	Add: Surplus of Income over Expenditure	108,858,980	39,780,206
	As at 31 December	335,497,682	226,638,702
17	RESERVE FUND:		
	As at 1 January	5,000,000	5,000,000
	Transfer from Revenue Reserves	-	-
	As at 31 December	5,000,000	5,000,000
	TOTAL RESERVES	340,497,682	231,638,702

The Reserve Fund has been set up, following approval from the Board, as a safeguard to meet possible losses arising on account of substantial fluctuations in the exchange rate of the pound sterling.

18	OTHER FUNDS	31 December 2015	31 December 2014
		Rs	Rs
	Opening balance	1,137,422	1,102,106
	Movement during the year	18,229	35,316
	Closing balance	1,155,651	1,137,422

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

19	REVALUATION RESERVE:	31 December 2015	31 December 2014
		Rs	Rs
	As at 1 January	414,285	576,190
	Less: Movement During the year	(103,571)	(161,905)
	As at 31 December	310,714	414,285

20 REVENUE

The MES receives fees from candidates for different examinations each year, for transmission to respective Examination Bodies.

The overall transactions in respect of revenue are given below:

	31 December 2015	31 December 2014
	Rs	Rs
Local Fees (including refund icw Local Marking and Computerisation of SC/HSC entries)	69,887,394	66,447,529
Difference in Exchange -Gain/(Loss)	13,692,568	11,488,499
Bank Interest	1,433,761	5,399,245
Sale of Question Papers/Photocopies/Statement of Results	2,001,647	2,002,214
Refund of Examinations Expenses	12,564,170	12,821,924
Rental of Canteen/ Premises	79,780	74,684
Miscellaneous Receipts	1,322,665	1,138,672
Outstanding Creditors written back to Revenue	110,588	147,902
		-
TOTAL	101,092,573	99,520,669

The MES collects fees on behalf of some examination bodies and the fees collected is remitted to the examination bodies.

These fees collected are not reported in the statement of financial performance but are reported as amounts owed to creditors.

21 GOVERNMENT GRANT

	31 December 2015	31 December 2014
	Rs	Rs
		RESTATED
Revenue Grant received from Ministry of Education	311,949,412	244,914,000
Capital Grant received from Ministry of Education	6,932,194	1,999,472
TOTAL Government Grant	318,881,606	246,913,472

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

22 STAFF COSTS

		31 December 2015	31 December 2014
		Rs	Rs
Salaries & wages		92,535,950	91,895,203
Provision for Sick Leave	(Note 14.1)	5,404,068	5,408,441
Allowances and Refund of Vacation leave, etc		787,428	1,145,584
Bonus		7,621,789	7,504,635
Pension cost	(Note 15)	24,662,523	23,462,316
Other contributions: NSF,NPF,FPS,medical etc		4,443,241	4,217,262
Travelling Expenses		11,255,901	11,532,375
Overtime		8,381,282	5,414,268
Uniform & Protective Clothing		328,302	266,899
Provision for Passage Benefits	(Note 14.2)	3,793,474	3,647,064
Insurance of Staff		454,935	450,425
TOTAL		159,668,893	154,944,472

23 TRAINING AND SEMINARS

		31 December 2015	31 December 2014
		Rs	Rs
Training of staff		169,570	13,605
Missions and Allowances		520,534	954,953
TOTAL		690,104	968,558

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

24	OFFICE AND ADMINISTRATIVE EXPENSES	31 December 2015	31 December 2014
		Rs	Rs
	Electricity, Water, Telephone	5,927,861	5,493,063
	Newspapers, Books & Periodicals	51,292	44,133
	Vehicle Maintenance & Running Cost	454,561	495,593
	Legal and Professional Fees	379,700	361,270
	Premises Maintenance and Insurance Cost	1,251,647	1,188,185
	Incidentals	-	6,084
	Rental for Locker at Bank	3,450	3,450
	Equipment Maintenance and Insurance Cost	3,784,767	3,368,681
	Publicity, Postage and Fax	604,360	566,931
	Stationery for Examinations and Office Requisites	3,830,667	4,650,447
	Hospitality and Ceremonials	888,504	728,197
	Printing and Publications	658,045	904,534
	Links with Overseas Bodies	43,870	131,010
	Payment to Security Guards	974,237	504,819
	Financial Charges	245,246	214,130
	TOTAL	19,098,207	18,660,527
25	DEPRECIATION & AMORTISATION	31 December 2015	31 December 2014
		Rs	Rs
	Furniture & Fittings	614,838	707,745
	Computer & Equipment	1,697,797	1,717,839
	Equipment	3,102,113	3,290,070
	Loose Tools	23,903	39,554
	Motor Vehicles	208,020	609,850
	Buildings	3,576,789	3,487,050
	Intangible Assets	269,764	-
	TOTAL	9,493,224	9,852,108
26	EXAMINATIONS EXPENSES	31 December 2015	31 December 2014
		Rs	Rs
	Transport and Travelling icw Examinations	11,975,349	11,842,594
	Examination Expenses	102,634,071	100,290,830
	Printing of CPE Question Papers	7,555,352	9,132,993
	Moderation of CPE Question papers	-	961,852
	TOTAL	122,164,772	122,228,269

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

27 EMPLOYEES DISCLOSURE

As at 31 December 2015, MES had 313 full-time employees, out of which 2 were on contract and 1 is on leave without pay. There was one part-time employee.

28 RELATED PARTY DISCLOSURES

Key Management Personnel

Key Management Personnel as per IPSAS 20, are:

- a) All directors or members of the governing body of the MES ; and
- b) Other persons having the authority and responsibility for planning, directing, and controlling the activities of the MES

The Management of MES comprise the Director, three Principal Examination Officers, one Principal Research and Development Officer, five Senior Examinations Officers, one Financial Manager, one Head of Printing and one Senior Procurement and Supply Officer as Key Management Personnel.

The aggregate remuneration of key management personnel and the number of members determined on a full time equivalent basis receiving remuneration in this category are:

	31 December 2015	31 December 2014
	Rs	Rs
Director	1,526,920	2,262,076
Other Key Management Personnel	13,054,291	13,086,235
Number of Persons	13	13
Close members of the family of Director	7,084	542,101
Close members of the family of Other Key Management Personnel	303,729	280,685
Remuneration of Chairperson who is part-time is as follows:		
Chairperson	33,470	374,962

There has been a change of Director during the year. Remuneration of close members of family of

Director relates to previous Director.

The Chairperson was nominated in November 2015

Car Loan transactions with Key Management Personnel

	31 December 2015	31 December 2014
	Rs	Rs
Opening Balances	3,070,740	2,789,320
Loans receivable within 1 year	906,917	820,505
Loans receivable after 1 year	2,163,823	1,968,815
Opening Balance of Loans to staff promoted to key management level during the year	-	-
Loans granted during the year	990,000	1,250,000
Loan instalments received	1,062,655	968,580
Closing Balances	2,998,085	3,070,740
Receivable within 1 year	845,009	906,917
Receivable after 1 year	2,153,076	2,163,823
	2,998,085	3,070,740

All eligible officers of the MES are granted duty free facilities and loans for the purchase of a car as prescribed in the PRB reports. There were no other remuneration or compensation to key management personnel. Related party transactions were carried out at commercial terms and conditions.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

29 Notes on Budget Information

The budget relates to two fiscal years namely 01 Jan 2015 –30 June 2015(6 months) &01 Jul 2015 – 30 June 2016. Whereas the financial statements have been prepared for the period 01 Jan 2015 to 31 Dec 2015.

Budgets and Actual figures have been represented to be accounted for, in the financial statements for the 12 months Jan 2015 to Dec 2015

29.1 Difference between Original and Revised Budget

(a) Government Grant

The positive variance related to review of Budget to cover shortfall.

(b) Staff Cost (Basic Salaries)

The positive variance on staff cost relates to savings made due to vacancies/new posts not filled.

(c) Examinations Expenses

The budget figure was revised due to projects which are ongoing, for example HSC Pro & Emarking (i.e. not all spent and some are carried forward).

(d) Repairs & Maintenance (Premises)

Some projects have been deferred pending appropriate approvals (e.g. Board).

29.2 Difference between Revised Budget and Actual Amounts

(a) Government Grant

Total amount received from Ministry of Education include recurrent grants and government subsidy in connection with local fees for SC/HSC FY 2015.

(b) Capital Budget

Capital funds voted for July 2015 to June 2016 from Ministry of Education has been spent to the amount of Rs6,932,194/- up to December 2015.

(c) Staff Cost (Basic Salaries)

Savings were made due to vacancies/new posts not filled.

(d) Transport/Travelling in connection with Examinations

Savings were made due to an effective appointment and monitoring.

(e) Examinations Expenses

Savings were made due to part-implementation of projects and effective monitoring in appointment of Resource Persons working for Examinations.





*Let the mind manage the body
Que l'esprit gère le corps*

MAURITIUS EXAMINATIONS SYNDICATE