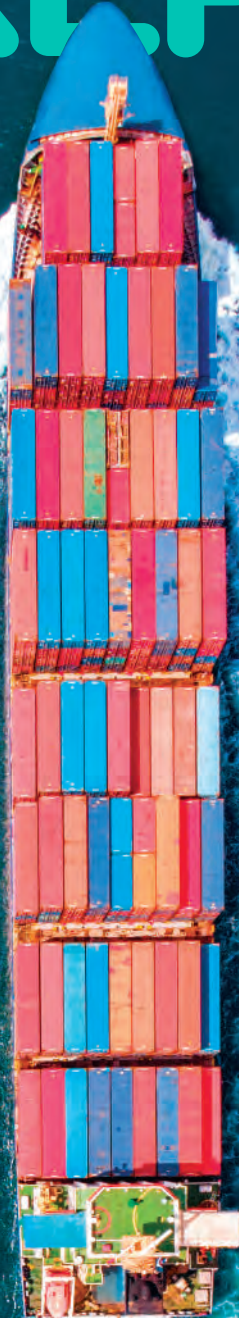


ANNUAL REPORT

FINANCIAL YEAR 2020-2021





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CHAIRMAN'S REPORT



I am pleased to report on the operational and financial performances of the MPA for Financial Year 2020/2021. The period under review was one of continuity with best practices and ensuring that business operations of the MPA are aligned with its objectives of providing modern port infrastructure, higher productivity, efficient and competitive services in a safe and sustainable working environment.

The unfortunate COVID-19 pandemic events have caused immense disruptions on normal business processes and have been the unwanted but 'here to stay' test on the resilience and agility of our port services. Dealing with emergencies, adapting to new models of operations, assisting others in difficulty and keeping the country supplied and fed are all examples for which I would wholeheartedly commend the team at the MPA and stress the importance of our people in this annual report whose best practices oblige us to highlight figures over bravery. A note of thanks to our partners, Port Users, seafarers and seagoing comrades is appropriate and we hope that each of us has found the grit and resilience to overcome not only at work but on a personal level.

The financial and operational results of the Authority have been affected by the COVID-19 pandemic. However, despite difficult conditions, trade through Port Louis has been fairly stable as compared to the Black Swan year 2020, whereby the port trade performance has displayed a remarkable resilience. Total Cargo traffic handled at

the port, reached 7,77 million tonnes in FY 2020/21 as compared to 7,73 million tonnes in FY 2019/20, thus representing an increase of 0.5% equivalent to 35,722 tonnes. As regards total container traffic, same has witnessed an expansion of 7.8% to reach 463,044 TEUs in FY 2020/21 as compared to 429,525 TEUs in FY 2019/20. For the period under review, transshipment container traffic posted a commendable expansion of 34.0% whilst captive container traffic contracted by around 10.1%.

Bunkering has also been resilient. It has registered a volume of 614,113 metric tonnes in respect of bunker supplied for FY 2020/21 as opposed to 692,503 metric tonnes in FY 2019/20 representing a decrease of 11.3% with a corresponding decrease of 16.4 % in the number of vessels calling at the harbour for bunkering activities. This decrease which is attributed to the impacts of the COVID-19 pandemic also shows that the destination itself remains attractive and should be a fast grower over the next 2 years.

Regardless of the turbulent global economic environment, the MPA is focussed on the future, and expecting to emerge from the pandemic leaner and better organised to take the challenge of meeting its vision 2040. As show of its resolve, the MPA has realised a Net Surplus of Rs 233.9 million for FY 2020/21, notwithstanding the adverse economic climate that prevailed at local and international levels.

The 'New Normal' is also, for many, the opportunity to reinvent oneself, to build on a rich history and strategic location and embrace the next generation on port management and organisation.

Bruce Lee mentioned - "To know and not to do is not to know".

What we know is that the logistics model and port management will never be the same as they were pre-Covid; that the container business is getting more door to door than port to port; that following the wave of investments and Mergers in Africa, where each large operator is poising itself for the future, ruthless competition is expected to characterize the next 5 years after the pandemic and its investment spree subside.

The MPA is also at its cross roads. Do we stand tall alone as we have so far, or do we join forces and form our alliance! The challenge is one of mindset as much as it is one of means.

As the steppingstones for the future, the MPA vision plan provides for extended services into 14 fields to include our core business such as Container Transshipment & Cargo, Bunkering, Cruise business and related activities, development of the Blue Economy, Port Services, Real Estate at the Port as well as newer ones, such as Information Hub, Sustainability, and creating the environment around what a modern port now requires.

Looking ahead to the future, the coming year compels us to review our way of thinking, and move towards the future with more innovative programming and implementation. Over the next 5 years, sustainability will be integrated in

our business, and becoming an export oriented port for regional and Africa services is what we are aiming for. Efficiency at the Port and performance management have been words only for too long. Let's try this the Bruce Lee way...

As a concluding note, I wish to express my gratitude to the Hon. Pravind Kumar Jugnauth, Prime Minister, Minister of Defence, Home Affairs and External Communications, Minister for Rodrigues, Outer Islands and Territorial Integrity, for his contribution, guidance, support and most importantly his vision for a modern and efficient port for the Republic of Mauritius.

I would also like to thank all our valued clients for the trust placed in our port services, as well as the support of our highly esteemed partners, stakeholders and the port community.

The Board of Directors have contributed to a large extent to the achievements made so far by the Authority and I seize this opportunity to convey my deep appreciation to them.

Finally, I wish to thank Mr. Shekur Suntah, Director-General, the Management team, the committed workforce of the MPA and the Unions for their continued support.

The new future starts now.



Chairman
Shankhnad Ghurburrin



DIRECTOR-GENERAL'S REPORT



I am pleased to report on the Financial and Operational performance of the Mauritius Ports Authority for the Financial Year 2020/2021.

The COVID-19 pandemic has triggered a world economic disruption resulting in steep recessions in many countries. The Mauritian economy has not been spared from this global economic downturn which has impacted negatively on the port and shipping industry worldwide. Port activities have registered a contraction in 2021, which is mainly attributed to the disruption in container logistics, namely blank sailings, shortage of empty containers and soaring freight rates as well as the socio-economic impacts of the COVID-19.

The Operating Turnover of the MPA for FY 2020/21 has decreased to Rs 1,367.1 million as compared to Rs 1,488.7 million for FY 2019/20. On the other hand, the Operating Surplus reached Rs 217.5 million for FY 2020/21 as compared to Rs 385.4 million for FY 2019/20. The Authority's total assets in FY 2020/21 stood at Rs 27.4 billion compared to Rs 27.6 billion for the previous Financial Year.

As regards the operational performance, total cargo traffic reached 7.77 million tonnes in FY 2020/21 as compared to 7.73 million tonnes in FY 2019/20, representing a slight increase of 0.5%. A total container traffic of 463,044 TEUs was registered in FY 2020/21 representing an expansion of 7.8% over the last financial year's performance.

Total Imports have decreased from 4,834,153 tonnes in FY 2019/20 to 4,633,342 tonnes in FY 2020/21. Total containerised transshipment inwards traffic registered 1,858,403 tonnes in FY 2020/21 as compared to 1,513,513 tonnes for FY 2019/20. Total exports have contracted by 7.8% and stood at 1,276,300 tonnes in FY 2020/21 as compared to 1,384,659 tonnes in FY 2019/20.

The total volume of bunker has decreased by 11.3% from 692,503 tonnes in FY 2019/20 to 614,113 tonnes in FY 2020/21. There has also been a reduction in the number of vessels refuelling at Port Louis during the course of the current financial year (2,359 calls in FY 2019/20 c.f 1,972 calls in FY 2020/21).

Moreover, 479 container vessels were operated at MCT for the year under review as compared to 472 for FY 2019/20, whilst container throughput stood at 697,345 TEUs for FY 2020/21 as compared to 612,024 TEUs for FY 2019/20. The total vessel traffic registered in FY 2020/21 was 2,628 vessel calls in comparison to 3,326 vessel calls for FY 2019/20. No cruise vessels called at Port Louis during FY 2020/21 on account of the COVID-19 sanitary restrictions.

Despite the brunt of the pandemic and in order to embrace a brighter future which will emerge during the recovery phase, the Authority is sparing no effort to further develop and consolidate the port sector.

The construction of a Cruise Terminal Building of an extent of 7,500 square metres adjacent to the Cruise Jetty located at Les Salines, is currently in the implementation phase and the works are scheduled for completion by mid-2022. The new Cruise Terminal Building and the development of the cruise business segment will undoubtedly firm up the position of Port Louis Harbour and the region, as an attractive cruise destination in the Indian Ocean. Despite the fact that the pandemic has had an impact on the cruise business, it is projected that the Cruise Segment will undergo a quick recovery with the reopening of the borders.

A series of other projects has been realised during the course of FY 2020/21. The construction of a Mini Soccer Pitch and Cloakroom has been completed in October 2020 and on the other hand, the upgrading works for the Service Tunnel at Terminal I have been concluded in November 2020. A new Vessel Traffic Management System has also been installed since March 2021 and is now in operation.

In order to enhance the attractiveness of the port and to improve the experience of business visitors to the port area, the design and installation of a harmonised wayfinding directional signage is being proposed. The finalisation of the design is in progress.

The MPA also intends to proceed with the development of an Island Container Terminal with a view to protecting the existing Mauritius Container Terminal against wave and swell actions, as well as to increase capacity to cater for the container traffic beyond 2040. Given the massive investment to the tune of some USD 835 million required, the proposed development is planned to be implemented under a PPP arrangement.

The security at Port-Louis is being further reinforced with the installation of a modern CCTV system, a centralised access control system together with a number of electronic raised arm barriers and turnstiles. New Port Security Regulations will be promulgated shortly.

In an initiative to transform Port-Louis Harbour into a Smart Port, the entire process for clearance of vessels calling at Port-Louis is being streamlined with the implementation of the Maritime Single Window Project. It is firmly believed that this innovative system will be welcomed by the port and maritime community.

It should be noted that the MPA has provided support to the manufacturing and export sectors to enable them to cope with the unfolding economic difficulties brought about by the pandemic and its ripple effects on domestic finance. Quay fees on export laden containers were waived up to December 2020. With respect to the remaining 6 months of the Financial Year under review, the fees on this category of containers were applied at the rate of 50%.

This initiative was taken in an endeavour to prevent an erosion of liquidity of small businesses operating in the manufacturing and export sector and to stimulate recovery.

Moreover, the MPA had applied a rescheduling of payment of rentals applicable for lease of land and buildings up to 31 December 2021 in line with Section 30 of the Covid-19 (Miscellaneous provisions) Act 2020 (Covid-19 Act) for those Lessees who had made a request to benefit from this initiative.

Next year will also be a challenging year, as it is anticipated that the effects of the COVID-19 pandemic and border restrictions will continue to impact negatively on global trade and the shipping and port industry worldwide. Ports are expected to operate at their pre-pandemic capacity only after 2022/23.

However, in view of a new dynamism experienced in certain business segments at Port-Louis during the course of this financial year, more specifically in the container transshipment and also in the bunkering sector, where new major international bunker operators have expressed the intention to operate from Mauritius as from end 2021, one can feel optimistic about the future. We shall ensure that projects are executed timely and new avenues explored for further enhancing the service level in the Port.

To conclude, I wish to thank all the staff of the Authority and the Unions for their dedication and unwavering support.

Port stakeholders and the business community have stood by us during the challenging times. Their cooperation is deeply appreciated.

I would like to acknowledge the valuable contribution and guidance extended by the Board of Directors and the Chairman, Mr. Shanknad Ghurburrin.

I also wish to express my gratitude to the Honourable Pravind Jugnauth and the officers of the Prime Minister's Office (External Communications Division) for their support during the course of this challenging year.



**Director-General
Shekur Suntah**

PORT TRADE PERFORMANCE

Key Figures at a Glance

Total Trade Volume	7.7	Million tonnes	(+0.5%)
• Containerised Cargo	3.9	Million tonnes	(+7.0%)
• Dry Bulk Cargo	1.9	Million tonnes	(+15.1%)
• Liquid Bulk Cargo	1.9	Million tonnes	(-17.2%)
• Fish Traffic	98,961	tonnes	(-29.1%)
Total Container Traffic	463,044	TEUs	(+7.8%)
• Captive Container	229,772	TEUs	(-10.1%)
• Transshipment Container Inwards	233,272	TEUs	(+34.0%)
• Transshipment Container Outwards	227,353	TEUs	(+29.8%)
Total Container Throughput (incl. paid restows)	697,345	TEUs	(+13.9%)
Total Vessel Traffic	2,628	calls	(-21.0%)
• Containerised Vessels	494	calls	(+1.4%)
• Fishing Vessels	752	calls	(-24.1%)
Cruise Traffic	Cruise activities suspended due to COVID-19 pandemic		
Total Bunker Traffic	614,113	tonnes	(-11.3%)
• Pipeline	66,276	tonnes	(-31.6%)
• Barges	547,837	tonnes	(-8.0%)



CORPORATE INFORMATION - YEAR ENDED 30 JUNE 2021

Board of Directors

Shankhnad Ghurburrin (Chairperson) (As from 01 June 2021)
 Ramalingum Maistry (Up to 31 May 2021)
 Anandee Pawan (As from 22 July 2021)
 Kechan Balgobin (Up to 21 July 2021)
 Shekur Suntah
 Om Kumar Dabidin
 Vailamah Pareatumbée
 Vivekanand Ramburun

Board Committees

Nomination & Staff Committee

Ramalingum Maistry (Chairperson) (Up to 31 May 2021)
 Kechan Balgobin (Chairperson) (From 01 July 2021 to 09 July 2021)
 Anandee Pawan (Chairperson) (As from 10 August 2021)
 Om Kumar Dabidin (As from 30 June 2021)
 Shekur Suntah

Audit Committee

Vivekanand Ramburun (Chairperson)
 Om Kumar Dabidin
 Anandee Pawan (As from 10 August 2021)

Finance Committee

Vailamah Pareatumbée (Chairperson)
 Shankhnad Ghurburrin (As from 30 June 2021)
 Kechan Balgobin (up to 14 July 2021)
 Ourmilla Ramkurrin - Sepaul (As from 10 August 2021)
 Shekur Suntah

Land Lease Management Committee

Shekur Suntah (Chairperson)
 Maheswaree Naraini Madhub (Up to 4 February 2021)
 Kechan Balgobin (As from 4 February 2021 up to 10 August 2021)
 Ourmilla Ramkurrin - Sepaul (As from 11 August 2021)
 Vailamah Pareatumbée

Co-opted members

Doorgesh Kumar Manikaran
 Roshni Bissessur
 Vedacharya Vyas Sharma Chuckun

Corporate Governance Committee

Om Kumar Dabidin (Chairperson)
 Vivekanand Ramburun

Port Licensing Committee

Shekur Suntah (Chairperson)
 Kechan Balgobin (up to 10 August 2021)
 Ourmilla Ramkurrin - Sepaul (As from 11 August 2021)
 Vailamah Pareatumbée

Co-opted members

Louis Benoit Barbeau
 Narad Dawoodarry (Retired on 31 May 2021)
 Gowraj Angad

Senior Executives

Shekur Suntah - Director-General
 Aruna Bunwaree Ramsaha - Deputy Director-General (Management Support Services)
 Shakeel Goburdhone - Deputy Director-General (Technical and Operational Services)
 Captain Louis Benoit Barbeau - Port Master
 Narad Dawoodarry - Director, Legal and Administrative Services (Retired on 31 May 2021)
 Ravishankar Wootum - Director, IT Services
 Shreeganesh Ganga - Director, Finance
 Chandradutt Rogbeer - Corporate Auditor
 Sandesh Seelochun - Director, Port Development
 Mukhram Moloo - Director, Human Resources
 Captain Kavidev Newoor - Deputy Port Master
 Nomita Seebaluck - Ag. Director, Port Operations
 Basdeo Bholanath Dhunoo - Senior Manager, Technical Services
 Priyathama Seebaruth - Senior Manager, Procurement & Supply
 Gowraj Angad - Senior Manager, Estate Management

Head Office

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 Republic of Mauritius
 Tel: (+230) 206 5400
 Fax: (+230) 240 0856
 Email: info@mauport.com

External Auditors

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 9th Floor, Ebene Tower
 52 Cybercity
 Ebene, 72201
 Republic of Mauritius
 Tel : (+230) 467 3001
 Email : grant.thornton@mu.gt.com

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF FINANCIAL STATEMENTS - YEAR ENDED 30 JUNE 2021

The Board of Directors (the "Board") ensures through its system of governance, that adequate accounting records are maintained so as to disclose at any time, and with reasonable accuracy, the financial position of the Mauritius Ports Authority (the "Authority" or "MPA"). They are also responsible for taking reasonable steps to safeguard the assets of the Authority and hence to prevent fraud and detect other irregularities.

The Board acknowledges its responsibility for ensuring the preparation of the annual financial statements in accordance with International Public Sector Accounting Standards (IPSAS) and the responsibility of external auditors to report on these financial statements.

In preparing such financial statements, they have ensured the following:

- suitable accounting policies have been selected and applied on a consistent basis using reasonable and prudent judgment; and
- whether International Public Sector Accounting Standards (IPSAS) have been adhered to.

The financial statements have been prepared on a going concern and there is no reason to believe that the Authority will not continue as a going concern in the year ahead.

The Audit & Risk Management Committee monitors the integrity of the financial statements and is responsible for reviewing the system of internal controls. It examines weaknesses that may be identified in controls and makes appropriate recommendations to the Board.

Nothing has come to the Board's attention, to indicate any material breakdown in the functioning of the internal controls and systems during the year under review, which could have a material impact on the business.

The Directors confirm that the MPA has adhered to most of the requirements of the National Code of Corporate Governance and have ensured that the financial statements comply with the Statutory Bodies (Accounts and Audit) Act 1972.

The external auditors, **Grant Thornton Mauritius**, have independently reported on whether the financial statements are fairly presented.

The Authority will submit a copy of its Annual Report to the Financial Reporting Council, in accordance with the Financial Reporting Act 2004.

This Report was approved by the Board and is signed on its behalf.



Chairman
Shankhnad Ghurburrun



Director-General
Shekur Suntah

Date: 10 December 2021

STATEMENT OF COMPLIANCE

(Section 75(3) of the Financial Reporting Act 2004)

Name of Public Interest Entity ('PIE'):

Mauritius Ports Authority

Reporting Period:

30 June 2021

We, the Directors of the "Authority", hereby confirm to the best of our knowledge that the Authority has not complied with the following principles of the National Code of Corporate Governance for Mauritius (2016):

1. Principle 2: Board composition (Page 13)

- During the financial year 2020/21, the Board consisted of one executive director and five non-executive directors including the Chairperson of the MPA. The Authority is in the process of appointing three independent directors to be compliant with Principle 2 of the Code.

Composition of sub-committees (Pages 17 to 23)

- The Authority cannot meet the minimum requirement of three (3) non-executive members given that there are existing vacancies of NEDs on the Board of Directors and up to 31 May 2021, the Chairperson of the Nomination & Staff Committee was also the Chairperson of the Board.

However, as from 30 June 2021, this non-compliance has been resolved as a member of the Board, who is the representative of the Prime Minister's Office has been nominated as Chairperson of the Nomination & Staff Committee.

2. Principle 4: Board evaluation (Page 33)

- The Authority does not evaluate the Board, subcommittees and directors since the Board Members are appointed by the Minister.



Chairman
Shankhnad Ghurburrun



Director-General
Shekur Suntah

Date: 10 December 2021

CORPORATE GOVERNANCE REPORT - YEAR ENDED 30 JUNE 2021

Principle I: Governance Structure

Compliance with the National Code of Corporate Governance for Mauritius (2016) (the 'Code')

The Mauritius Ports Authority is the sole national port authority established under the Ports Act 1998 to regulate and control the port sector and provide marine services. The MPA is a Public Interest Entity as defined by the Financial Reporting Act 2004.

The Board of Directors (the "Board") and management of the Authority are committed to ensuring and maintaining a high standard of corporate governance within the Authority. Furthermore, the Board endorses the highest standards of business integrity and professionalism to ensure that the activities within the Authority are managed ethically and responsibly to enhance business value for all stakeholders.

The Board assumes full responsibility for leading and controlling the organisation and meeting all legal and regulatory requirements. Besides, the Board is collectively responsible for the long-term success, reputation and governance of the MPA. The Board also determines the MPA's mission, vision, values and strategy.

The vision of the MPA is to be *"the leading Authority driving Mauritius as the preferred regional Maritime Gateway"*.

The mission of the MPA is *"to stimulate economic growth by transforming our port into a dynamic logistics hub whilst providing sustainable and competitive integrated services"*.

The core values of the Authority are:

- Service Excellence
- Passion
- Innovation and Creativity
- Results Driven Culture

This report describes, amongst others, the main corporate governance framework and compliance requirements of the Authority which are laid down in the following:

- The Ports Act 1998.
- The Financial Reporting Act 2004.
- The disclosures required under the Code and the Terms of Reference of the Board Committees.

MPA has in place a Code of Ethics and copies of same are available upon request in writing to the Authority's Secretary.

The MPA has adopted a Board Charter as recommended by the Corporate Governance Committee and approved by the Board.

Additionally, the MPA has in place a written job description/position statement for each senior governance position.

CORPORATE GOVERNANCE REPORT - YEAR ENDED 30 JUNE 2021 (CONTD)

Principle 2: The Structure of the Board and its Committees

Board Structure

The Board of MPA has a unitary structure.

The Board is of the view that its composition is adequately balanced and that the current Directors have the range of skills, expertise and experience to carry out their duties properly.

Besides, members of the six subcommittees of the Board namely the Nomination & Staff Committee, the Audit Committee, the Finance Committee, the Land Lease Management Committee, the Corporate Governance Committee and the Port Licensing Committee have the appropriate balance of skills, experience, independence and knowledge to enable them to discharge their duties as evidenced by their profiles.

Board Size

As per Section 6 of the Ports Act 1998, the Board shall consist of:

- (i) a Chairman appointed by the Minister;
- (ii) a representative of the Minister;
- (iii) the Director-General;
- (iv) three members appointed by the Minister from representatives of commercial, shipping or other users' interests; and
- (v) not more than three members as the Minister may from time to time determine.

Every appointed member shall:

- (a) be a person who, in the Minister's opinion, has had experience and shown capacity in the field of port management, industry, commerce, finance or administration or has some special knowledge or experience that renders him a fit and proper person to be a member; and
- (b) hold office for a period not exceeding two years and shall be eligible for reappointment

At the date of this report, the Board comprised six (6) members as follows:

- One (1) Executive Director; and
- Five (5) Non-Executive Directors including the Chairperson.



CORPORATE GOVERNANCE REPORT - YEAR ENDED 30 JUNE 2021 (CONTD)

Principle 2: The Structure of the Board and its Committees

Board Composition

At the date of this report, the Board was composed as follows:

	Names	Category
Chairperson	Mr. Shankhnad Ghurburrin (As from 01 June 2021) Mr. Ramalingum (Up to 31 May 2021)	Non-Executive Director Non-Executive Director
Members	Mrs. Anandee Pawan, Representative of External Communications Division of the Prime Minister's Office (As from 22 July 2021) Mr. Kechan Balgobin - Representative of External Communications Division of the Prime Minister's Office (Up to 21 July 2021) Mr. Shekur Suntah - Director-General, Mauritius Ports Authority Mr. Om Kumar Dabidin – Secretary for Home Affairs, Prime Minister's Office Mrs. Vailamah Pareatumbbee - Director Economic and Finance, Ministry of Finance, Economic Planning and Development Mr. Vivekanand Ramburun - Director of Customs, Mauritius Revenue Authority	Non-Executive Director Non-Executive Director Executive Director Non-Executive Director Non-Executive Director Non-Executive Director
Secretary to the Board	Mr. Narad Dawoodarry - Director, Legal & Administrative Services, Mauritius Ports Authority (Retired on 31 May 2021) Mr. Shreeganesh Ganga, Director Finance (As from 01 June 2021)	

Explanation on Board composition

The Board does not fully comply with Principle 2 of the Code as the Board does not consist of any independent directors.

Board Diversity

The Board Members of MPA comprise 4 males and 2 females and are all ordinarily residents of Mauritius.



CORPORATE GOVERNANCE REPORT - YEAR ENDED 30 JUNE 2021 (CONTD)

Principle 2: The Structure of the Board and its Committees (Contd)

Board of Directors

The Board of Directors is the ultimate decision-making level in the organisation and it exercises leadership, entrepreneurship, integrity and sound judgement in directing the MPA so as to achieve continuing prosperity for the organisation while ensuring both performance and compliance.

The Board also ensures that the activities of the Authority comply with all legal and regulatory requirements as well as with the Ports Act 1998 from which the Board derives its authority to act.

The Board of Directors is ultimately accountable and responsible for the performance and affairs of the Authority namely, the review and adoption of strategic plans, the overview of business performance, the adoption of appropriate risk management systems and the establishment of proper internal control systems.

All Directors are aware of the key discussions and decisions of the subcommittees as the Chairman of each committee provides a summary to all the Directors at the main Board meeting following the relevant subcommittee meetings.

The Board of Directors assesses the terms of reference of the six Board subcommittees on a regular basis to ensure that same are being applied correctly and that the said terms of reference are compliant with the various regulations.

It is also the Board's responsibility to apply effective corporate governance principles and to be the focal point of the corporate governance system.

Chairman and Director-General

The roles of the Chairman and the Director-General are separate and each of them has clearly defined responsibilities. These ensure a proper balance of power, increased accountability and greater capacity of the Board for independent decision-making.

The role of the Chairman is assumed by a Non-Executive with the Director-General reporting to the Board, giving therefore sufficient segregation of powers between the Chairman and the Management.

In his role as Non-Executive Chairman of the Authority, Mr Shankhnad Ghurburrun is responsible for leading the Board and ascertaining its effectiveness. He ensures that the corporate strategy and the related execution are aligned together with operational efficiencies. He is also responsible for ensuring that the Directors receive accurate, timely and clear information and he encourages the active participation of all Board members in discussions and decisions. With his experience and strong knowledge in legal matters, the Chairman is in an excellent position to oversee the affairs of the Authority while ensuring that value is being created for all stakeholders.

On the other hand, Mr Shekur Suntah, in his capacity as Director-General, is responsible for the executive management of MPA's operations and for developing the long-term strategy and vision of the Authority. Mr Shekur Suntah also ensures effective communication with the stakeholders.

CORPORATE GOVERNANCE REPORT - YEAR ENDED 30 JUNE 2021 (CONTD)

Principle 2: The Structure of the Board and its Committees (Contd)

The Authority's Secretary

The MPA has a qualified Secretary who is also the Director, Finance of the Authority appointed in a substantive capacity.

All Directors of the MPA have access to the advice and services of the Secretary who is responsible for providing detailed guidance to the Chairman and the Directors as to their fiduciary duties, responsibilities and powers. The Secretary also ensures that the Authority is at all times complying with the Ports Act 1998, terms of reference of the Board subcommittees, applicable laws, rules and regulations.

Moreover, the Authority's Secretary assists the Chairman and the Board in implementing and strengthening good governance practices and processes with a view to enhancing long-term stakeholders' value. The Authority's Secretary also administers, attends and prepares minutes of all Board meetings. The Authority's Secretary also assists the Chairman in ensuring that Board procedures are followed and that the Authority's relevant rules and regulations are complied with.

The Authority's Secretary is the primary channel of communication between the Authority and its stakeholders as well as the regulatory bodies.

Board Meetings

In accordance with the provisions of Section 7 of the Ports Act 1998, board meetings are held not less than once every three (3) months and at such other time as the Authority may require.

Decisions taken between meetings are confirmed by way of written resolutions, agreed and signed by all Directors entitled to receive notice.

The Board meetings are conducted in accordance with the Ports Act 1998 and are convened by giving appropriate notice to the Directors. Detailed agenda, as determined by the Chairman, together with other supporting documents are circularised in advance to the Directors to enable them to participate meaningfully in the decision-making process and make informed deliberations at Board meetings. In order to address specific urgent business needs, meetings are at times called at shorter notice. Furthermore, the Directors have the right to request independent professional advice at MPA's expense.

A quorum of five (5) Directors is currently required for a Board Meeting of the MPA. Questions arising at any meeting of the Board shall be decided by a majority vote of the members present and voting thereon and, in case of an equality of votes, the Chairperson of the meeting shall have a casting vote.

During the year under review, the Board met 17 times. Decisions were also taken by way of resolutions in writing, agreed and signed by all Directors then entitled to receive notice of the meeting.

The minutes of the proceedings of each Board meeting are recorded by the Authority's Secretary and are entered in the minutes' book of the MPA. The minutes of each Board meeting are submitted for confirmation at its next meeting and these are then signed by the Chairman and the Secretary.

CORPORATE GOVERNANCE REPORT - YEAR ENDED 30 JUNE 2021 (CONTD)

Principle 2: The Structure of the Board and its Committees (Contd)

Board Committees

The Code provides that Board Committees are a mechanism to assist the Board of Directors in discharging its duties and responsibilities through a more comprehensive evaluation of specific issues, followed by well-considered recommendations to the Board.

As such, six Board Committees have been constituted namely the Nomination & Staff Committee, the Audit Committee, the Finance Committee, the Land Lease Management Committee, the Corporate Governance Committee and the Port Licensing Committee to assist the Board in the effective performance of its responsibilities. These Committees operate within defined terms of reference and independently to the Board. The terms of reference of the six Committees are amended as required, subject to the approval of the Board.

The Chairman of the Board Committees reports on the proceedings of the Committees at each Board meeting of the Authority and the Committees regularly recommend actions to the Board.

The Board recognises that Board Committees are an effective part of the corporate governance framework of the Authority which enable the Directors to discharge their duties more effectively by sharing the work of the Board, enhancing Board efficiency and effectiveness and enabling issues to be studied in greater depth. However, the Board also understands that it is ultimately responsible and accountable for the performance of the Authority and that delegating authority to Board Committees does not in any way absolve the Board of its duties and responsibilities.

The Board Committees are authorised to obtain, at the MPA's expense, professional advice both within and outside the MPA in order for them to perform their duties.



CORPORATE GOVERNANCE REPORT - YEAR ENDED 30 JUNE 2021 (CONTD)

Principle 2: The Structure of the Board and its Committees (Contd)

Nomination & Staff Committee

The Nomination & Staff Committee considers and determines establishment matters relating to the recruitment, appointment, promotion and empowerment of staff as well as the terms and conditions of employment. All recommendations made by the Nomination & Staff Committee in regard to the establishment and conditions of employment are submitted for the consideration of the Board.

The Nomination & Staff Committee should always have a non-executive Chairperson and as far as possible one or more independent directors as members.

The Nomination & Staff Committee shall have the mandate to:

- (i) recommend human resource strategies/policies to the Board;
- (ii) consider matters pertaining to appointment, promotion, confirmation of appointment of employees, application for early retirement;
- (iii) review and approve Policy, Systems and Procedures for the HR process and systems at the MPA;
- (iv) carry out interview of candidates for the filling of vacant positions as per the Authority's approved recruitment & selection procedures;
- (v) make recommendations in respect of the remuneration policy following performance appraisal;
- (vi) consider and recommend training as per the Authority's Training Policy/Plan;
- (vii) consider matters pertaining to disciplinary actions and industrial relations;
- (viii) consider recommendations from Salary Commissioner/HRD Consultants in the context of the Authority's Salary Reviews/Human Resource Development Plans;
- (ix) consider matters relating to welfare of employees;
- (x) consider and recommend changes to the terms and conditions of service;
- (xi) consider and recommend the participation of MPA officers in overseas training/seminar/workshop; and
- (xii) consider other issues pertaining to human resources management.

At the date of this report, the Nomination & Staff Committee is constituted as follows:

	Names
Chairperson	Mr. Ramalingum Maistry (Up to 31 May 2021) Mr. Kechan Balgobin - Representative of External Communications Division of the Prime Minister's Office (Member up to 30 June 2021 and Chairperson as from 01 July 2021 up to 09 July 2021) Mrs. Anandee Pawan - Representative of External Communications Division of the Prime Minister's Office (As from 10 August 2021)
Members	Mr. Om Kumar Dabidin - Secretary for Home Affairs, Prime Minister's Office (As from 30 June 2021) Mr. Shekur Suntah - Director-General, Mauritius Ports Authority
Secretary	Mrs. Prameshwary Gungaram - Manager Human Resources

The Nomination & Staff Committee met twelve times during the year under review.

CORPORATE GOVERNANCE REPORT - YEAR ENDED 30 JUNE 2021 (CONTD)

Principle 2: The Structure of the Board and its Committees (Contd)

Audit Committee

The Audit Committee was set up to provide a roadmap for the development of proactive strategies with a view to ensuring that every effort is made to appropriately manage risks that may have a bearing on port operations.

The attributes of the Audit Committee are as follows:-

Internal Audit Function

- (i) To consider the adequacy of the Audit Plan and to ensure that the annual Internal Audit exercise covers all operations and the areas of risks;
- (ii) To scrutinize and discuss on periodical reports submitted by the Internal Audit & Risk Department; These reports should include inter-alia observations, conclusions, recommendations and strategies;
- (iii) To ensure that decisions taken at the level of the Audit & Risk Committee are timely implemented to bring in expected results;
- (iv) To examine the performance reported on quarterly financial statements;
- (v) To assign specific duties to the Corporate Auditor pertaining to, among others, the following:
 - Management of investment portfolios and investment in port related projects;
 - Raising of loans for financing port projects;
 - Acquisition and disposal of any asset and share of securities;
 - Financial aspects of the Concession Contract; and
 - Hedging techniques to mitigate losses in foreign exchange and operation of foreign accounts.
- (vi) To instruct the Corporate Auditor to carry out specific investigations on suspected malpractices or alleged frauds as and when needed;
- (vii) To consider the views of the Corporate Auditor on the effectiveness of MPA's corporate governance processes; and
- (viii) To report regularly to the Board on the actions of the Audit & Risk Management Committee.

Risk Management Function

- (i) To review risk management functions and the annual risk management plan;
- (ii) To assess the scope and effectiveness of systems established and to monitor financial and non-financial risks;
- (iii) To review risk assessment reports on a periodic basis to enable the Audit & Risk Management Committee to assess the risks related to the Authority's operations and to consider the major risks identified and how they are controlled and monitored;
- (iv) To review the effectiveness of ongoing risk findings and evaluation of significant risks for prioritisation and allocation of resources to address areas of high exposure;
- (v) To assess the role of the risk management function in the overall context of the risk management function; and
- (vi) To review the Authority's arrangements for compliance with risk management guidelines as per ISO 31000 – Risk Management.

CORPORATE GOVERNANCE REPORT - YEAR ENDED 30 JUNE 2021 (CONTD)

Principle 2: The Structure of the Board and its Committees (Contd)

Audit Committee (Contd)

At the date of this report, the Audit Committee is constituted as follows:

	Names
Chairperson	Mr. Vivekanand Ramburun, Director of Customs, Mauritius Revenue Authority
Members	Mr. Om Kumar Dabidin – Secretary for Home Affairs, Home Affairs Division of the Prime Minister’s Office Mrs. Anandee Pawan - Representative of External Communications Division of the Prime Minister’s Office (As from 10 August 2021)
Secretary	Mrs. Lawtee Rugbur - Manager, Audit & Assurance

The Audit Committee operates under the terms of reference approved by the Board of Directors.

The Board is of the view that the members of the Audit Committee have sufficient financial management expertise and experience to discharge their responsibilities properly. The Audit Committee confirms that it has fulfilled its responsibilities for the year under review, in accordance with its terms of reference.

The Audit Committee is governed by an Audit & Risk Management Charter and is responsible to assist the Board in fulfilling its financial reporting responsibilities. The Committee also reviews the financial reporting process, the internal control system and the management of risks. It also assesses the effectiveness of the independent audit process by having regular interactions with the independent auditors. The approach, scope and timing of the audit field are discussed with the audit team prior to the start of any audit. The Committee is also responsible for the appointment of internal and external auditors.

The Audit Committee met six times during the financial year 2020/21 to review the financial statements of the MPA and to receive reports of the work conducted by the Corporate Auditor and the Independent External Auditor.



CORPORATE GOVERNANCE REPORT - YEAR ENDED 30 JUNE 2021 (CONTD)

Principle 2: The Structure of the Board and its Committees (Contd)

Finance Committee

The attributes of the Finance Committee have been updated in line with the approval limits as contained in the Internal Procurement Procedures Manual and approved by the Board at its meeting held in January 2019.

The function of the committee is to make recommendations to the Board as follows:

- (i) MPA's budget for the ensuing year;
- (ii) Draft financial statements for the current year prior to submission to the external auditors;
- (iii) Procurement of goods and services above Rs 1,000,000 (excluding VAT);
- (iv) Purchase of foreign currencies for the Authority's debt servicing exercise with a view to meeting payments due to contractors;
- (v) Provision of incentive schemes to be granted to shipping lines;
- (vi) Payment of dividends to Government based on estimated net surpluses;
- (vii) Mitigation of foreign exchange losses through hedging techniques;
- (viii) Subscription, acquisition and disposal of shares or securities of any corporate body;
- (ix) Investment of any sum not immediately required for the purposes of its business; and
- (x) Realisation of investments, securities or loans under the Authority's control in order to finance its operations or for the purpose of reinvestment.

At the date of this report, the Finance Committee is constituted as follows:

	Names
Chairperson	Mrs. Vailamah Pareatumbbee, Director Economic & Finance, Ministry of Finance, Economic Planning & Development
Members	Mr. Shankhnad Ghurburrin, Chairman MPA (As from 30 June 2021) Mr. Kechan Balgobin, Representative of External Communications Division of the Prime Minister's Office (up to 14 July 2021) Mrs. Ourmilla Ramkurrin – Sepaul, Representative of External Communications Division of the Prime Minister's Office (As from 10 August 2021) Mr. Shekur Suntah – Director - General
Secretary	Mr. Adesh Sharma Soyjaudah - Manager, Financial Accounting

The Finance Committee met eleven times during the year under review.

CORPORATE GOVERNANCE REPORT - YEAR ENDED 30 JUNE 2021 (CONTD)

Principle 2: The Structure of the Board and its Committees (Contd)

Land Lease Management Committee

The Land Lease Management Committee makes recommendations to the Board on new lease applications, renewal of current leases, whilst setting up/reviewing guidelines and procedures for land management and land allocation with the following terms of reference:

- (i) Recommend renewal of existing lease agreements to the MPA Board;
- (ii) Assess all applications against set criteria and make recommendations to the Board;
- (iii) Advise the Board on the proper implementation of approved procedures/guidelines from time to time;
- (iv) Review criteria for evaluation of land applications including procedures/guidelines for approval by MPA Board;
- (v) Advise the Board on improvements for the effective running of the Land Management Unit; and
- (vi) Advise the Board on any major review or undertaking in regard to land management.

At the date of this report, the Land Lease Management Committee is constituted as follows: -

	Names
Chairperson	Mr. Shekur Suntah, Director-General
Members	<p>Ms. Maheswaree Naraini Madhub - Representative of External Communications Division of the Prime Minister's Office (up to 04 February 2021)</p> <p>Mr. Kechan Balgobin - Representative of External Communications Division of the Prime Minister's Office (From 04 February 2021 to 10 August 2021)</p> <p>Mrs. Ourmilla Ramkurrin – Sepaul - Representative of External Communications Division of the Prime Minister's Office (As from 11 August 2021)</p> <p>Mrs. Vailamah Pareatumbbee - Director Economic & Finance, Ministry of Finance, Economic Planning & Development</p>
Co-opted Members	<p>Mr. D. K. Manikaran - Senior State Attorney, State Law Office</p> <p>Mrs. Roshni Bissessur - Deputy Director, Valuation & Real Estate Consultancy Services</p> <p>Mr. Vedacharya Vyas Sharma Chuckun - Senior Surveyor, Ministry of Housing & Lands</p>
Secretary	Ms. Simla Chotoree - Survey Technician, Estate Management

The Land Lease Management Committee met twice during the year under review.

CORPORATE GOVERNANCE REPORT - YEAR ENDED 30 JUNE 2021 (CONTD)

Principle 2: The Structure of the Board and its Committees (Contd)

Corporate Governance Committee

The objective of the MPA Corporate Governance Committee is to provide guidance to the Board on aspects of corporate governance and to recommend the adoption of best practices. The attributes of the Corporate Governance Committee are to ensure that:

- (i) the reporting requirements on corporate governance are in accordance with the principles of the Code of Corporate Governance and that the Authority's Annual Report discloses the following:
 - Holding structure of MPA
 - A profile of the Board Directors, the Director-General and each member of the senior management team
 - Detailed remuneration allocated to Board Directors
 - Main terms of reference of Board Committees and attendance details of Directors
 - Identification of key risks and their control
 - Policies and practices as regard social, safety & health and environmental issues.
 - Onboarding system for new directors
- (ii) the Board comprises a majority of independent non-executive Directors;
- (iii) the Board exercises its powers and discharges its responsibilities as stipulated in the Ports Act 1998;
- (iv) the Board Sub Committees are run effectively and smoothly;
- (v) a Code of Conduct is formulated establishing obligations of Directors as set out in the National Code of Corporate Governance and the duties of the Directors to the Authority and to the Board;
- (vi) clear lines of responsibility and accountability prevail throughout the Authority;
- (vii) effective and regularly reviewed structures are in place to support the implementation and development of integrated governance across the MPA;
- (viii) timely reports are made to the Board of Directors, including recommendations and remedial action taken or proposed if there is an internal failing in systems or services; and
- (ix) a sufficient independent and objective assurance is in place to support the robustness of key processes across all areas of governance

At the date of this report, the Corporate Governance Committee is constituted as follows:

	Names
Chairperson	Mr. Om Kumar Dabidin - Secretary for Home Affairs, Prime Minister's Office
Member	Mr. Vivekanand Ramburun - Director of Customs, Mauritius Revenue Authority
Secretary	Ms. Oomadevi Rajagopall - Chief Officer, Administrative Services

The Corporate Governance Committee operates under the Terms of Reference approved by the Board and a quorum of two (2) members is currently required for a meeting of the said Committee.

In accordance with its Terms of Reference, the Corporate Governance Committee is responsible to provide guidance to the Board on aspects of corporate governance and for recommending the adoption of policies and best practices as appropriate for the Authority.

The Corporate Governance Committee met four times during the year under review.

CORPORATE GOVERNANCE REPORT - YEAR ENDED 30 JUNE 2021 (CONTD)

Principle 2: The Structure of the Board and its Committees (Contd)

Port Licensing Committee

A Port Licensing Committee was set up as a subcommittee of the Board on 29 May 2018. The Port Licensing Committee is responsible to formulate procedures relating to the grant of port licences as per the terms of reference listed below:

- (i) To examine the recommendations of the Port Licensing Committee with respect to the:
 - Grant of new Port Licence;
 - Issue of temporary Port Licence, subject to terms and conditions;
 - Renewal of Port Licences; and
- (ii) To regularly review and update the policy for the grant/renewal of port licences/temporary port licences.

In fulfilling its role and duties, the Port Licensing Committee applies the principles of good governance and regulatory best practices so as to provide a non-discriminatory, consistent and transparent framework for the issue of licences to service providers and at the same time safeguard the interests of the Authority. The Committee also takes into consideration the requirements of other statutory instruments in terms of protection of the environment, financial regulations, security, etc. when determining the issue of port licences.

The composition of the Port Licensing Committee is as follows: -

	Names
Chairperson	Mr. Shekur Suntah - Director-General, MPA
Members	Mr. Kechan Balgobin - Representative, External Communications Division of the Prime Minister's office (up to 10 August 2021) Mrs. Ourmilla Ramkurrun - Sepaul, Representative, External Communications Division of the Prime Minister's office (As from 11 August 2021) Mrs. Vailamah Pareatumbbee - Director Economic & Finance, Ministry of Finance, Economic Planning & Development
Co-opted Members	Captain Louis Benoit Barbeau, MPA Mr. Narad Dawoodarry - Director Legal & Administrative Services, MPA (Retired on 31 May 2021) Mr. Gowraj Angad - Senior Manager, Estate Management, MPA
Secretary	Mrs. Karishma Bhavna Gokhool (up to 21 August 2020) Ms. Devina Ramsamy (as from 22 August 2020)

The Port Licensing Committee met four times during the year under review.

Explanation on subcommittees' composition

The subcommittees do not fully comply with Principle 2 of the Code as:

- (i) the Authority cannot meet the minimum requirement of at least 3 non-executive members given that there are existing vacancies of NEDs on the Board of Directors; and
- (ii) up to 31 May 2021, the chairperson of the Nomination & Staff Committee was the chairperson of the Board. However, as from 30 June 2021, this non-compliance has been resolved as a representative of the Prime Minister's Office has been nominated as chairperson of the Nomination & Staff Committee.

Principle 2: The Structure of the Board and its Committees (Contd)

Attendance at Board and Committee meetings

There were 8 scheduled meetings of the Board and 9 special meetings of the Board totaling 17 meetings for the period starting July 2020 to June 2021. The Board Committees met in advance of the Board meetings and responded to matters within their remit and advised the Board accordingly.

	Category *	Board	Nomination & Staff Committee	Audit Committee	Finance Committee	Land Lease Management Committee	Corporate Governance Committee	Port Licensing Committee
Total Number of Meetings		17	12	6	11	2	4	4
Chairperson								
Mr. Shankhnad Ghurburrun (As from 01 June 2021)	NED	2	-	-	-	-	-	-
Mr. Ramalingum Maistry (up to 31 May 2021)	NED	14	12	-	-	-	-	-
Mr. Om Kumar Dabidin (Ag. Chairperson)	NED	1	-	-	-	-	-	-
Representative of the External Communications Division of the Prime Minister's Office								
Ms. Maheswaree Naraini Madhub		-	-	-	-	1	-	-
Mr. Kechan Balgobin	NED	17	12	-	11	1	-	4
(Alternate to Mr. Kechan Balgobin)								
Mrs. Ourmilla Ramkurrin - Sepaul		-	-	-	-	-	-	-
Mrs. Rajwantee Bucktowar		-	-	-	-	-	-	-
Director-General								
Mr. Shekur Sintah	ED	17	12	-	11	2	-	4
Member (Permanent Secretary, Home Affairs Division of the Prime Minister's Office)								
Mr. Om Kumar Dabidin	NED	15	-	6	-	-	4	-
Member (Lead Analyst, Ministry of Finance & Economic Development)								
Mrs. Vailamah Pareatumbbee	NED	17	-	-	11	2	-	4
Member (Director of Customs, Mauritius Revenue Authority)								
Mr. Vivekanand Ramburun	NED	17	-	6	-	-	4	-
(Alternate to Mr. Vivekanand Ramburun)								
Mr. Jeewonlall Audit	NED	-	-	-	-	-	-	-

Principle 2: The Structure of the Board and its Committees (Contd)

Attendance at Board and Committee meetings (Contd)

	Category *	Board	Nomination & Staff Committee	Audit Committee	Finance Committee	Land Lease Management Committee	Corporate Governance Committee	Port Licensing Committee
Secretary (Director, Legal & Administrative Services)								
Mr. Narad Dawoodarry (Retired on 31 May 2021)		13	-	-	-	-	4	4
Secretary (Director, Finance)								
Mr. Shreeganes Ganga (As from 01 June 2021)		4	-	-	-	-	-	-
Mr. Chandradutt Rogbeer (Corporate Auditor)		-	-	-	-	-	4	-
Member								
Captain Louis Benoit Barbeau		-	-	-	-	-	-	2
Mr. Gowraj Angad		-	-	-	-	-	-	4
Captain F. D. Nookia (Alternate to Captain Louis Benoit Barbeau)		-	-	-	-	-	-	2
Member (Senior State Attorney, State Law Office)								
Mr. Doorgesh Kumar Manikaran		-	-	-	-	2	-	-
Member (Senior Surveyor, Ministry of Housing & Lands)								
Mr. Vedacharya Vyas Sharma Chuckun		-	-	-	-	2	-	-
Member (Deputy Director, Valuation & Real Estate Consultancy Services, Valuation Office Department)								
Mrs. Roshni Bissessur		-	-	-	-	2	-	-

*

ED: Executive Director

NED: Non-Executive Director

CORPORATE GOVERNANCE REPORT - YEAR ENDED 30 JUNE 2021 (CONTD)

Principle 3: Director Appointment Procedures

The Directors are appointed in accordance with Section 6 of the Ports Act 1998.

Directors' Profiles

The names of all Directors, their profile and their categorisation as well as their directorship details are provided hereinafter.

Mr. Shankhnad Ghurburrun **Chairman (As from 01 June 2021)**

Mr. Shankhnad Ghurburrun is a practicing barrister with more than 25 years' commercial practice experience. Mr. Ghurburrun is a director of the Geroudis Law firm, which is known for its expertise in protecting brands and trademarks, leading in competition and anti-trust work since it was retained to assist in the setting up of the Competition Commission in Mauritius, carrying out cross border asset recovery, restructuring companies and carrying out shareholder activism. Mr. Ghurburrun still practices as barrister for mostly large local and international companies including some FORBES 100 Corporations.

Mr. Ghurburrun is a fellow INSOL and ICCFraudnet member, and a pragmatic, outcome-oriented person. He is presently a Senior Advisor to the Prime Minister of the Republic of Mauritius.

Mr. Ramalingum Maistry **Chairman (Up to 31 May 2021)**

Mr. Maistry is a seasoned professional working in the transport and logistics industry from 1986 to 2006. Thereafter Mr. Maistry was providing consultancy services in the field of management and communication.

Mr. Maistry was appointed as Chairperson of the MPA with effect from February 27, 2015. Mr Maistry has in the past been the Mayor of the Municipality of Beau Bassin /Rose Hill. He also served as Chairperson of the Tourism Fund and Discover Mauritius under the aegis of the Ministry of Tourism. He has previously worked as Senior Adviser at the Ministry of Finance & Economic Development and at the Ministry of Social Integration and Economic Empowerment.

Up to 31 May 2021, Mr. Maistry was a non-executive director on the Board of Directors of the MPA.

Mr. Maistry is also the President of the Ports Association of Indian Ocean Islands (PAIOI) and holds directorship on the board of the International Association of Ports and Harbours (IAPH) and the Association of Ports and Cities (AIVP).

Mr. Maistry has been conferred the title of International Honorary Ambassador of Chartered Institute of Logistics and Transport International in 2018.

Mrs. Anandee Pawan (As from 22 July 2021) **Representative of the External Communications Division of the Prime Minister's Office**

Mrs. Anandee Pawan is the Permanent Secretary of the External Communications Division of the Prime Minister's Office. She holds a Master of Business Administration, a Diploma in Administration and Management, a Certificate in Management Studies, and a Diploma in Business English.

After working for seven years as Teacher of science subjects in a private secondary institution, she joined the Public Service in 1986. In 1997, she was appointed as Assistant Secretary and since then, she has moved up the administrative cadre until her appointment as Permanent Secretary in December 2020.

CORPORATE GOVERNANCE REPORT - YEAR ENDED 30 JUNE 2021 (CONTD)

Principle 3: Director Appointment Procedures (Contd)

Directors' Profiles (Contd)

Mrs. Anandee Pawan (As from 22 July 2021) (Contd)

Representative of the External Communications Division of the Prime Minister's Office

She has served at the Ministries of Finance, Public Utilities, Social Security and Foreign Affairs. She has also worked at the Private Office and the Home Affairs Division of the Prime Minister's Office. As Deputy Permanent Secretary, she was also posted for four years at the Mauritius National Assembly where she was responsible for the administrative operations of the institution.

She is currently a Board Director of the Mauritius Ports Authority, the Airports of Mauritius Co Ltd, and the Airport Terminal Operations Ltd.

Mr. Kechan Balgobin (up to 21 July 2021)

Representative of the External Communications Division of the Prime Minister's Office

Mr. Balgobin holds a Diploma in Human Resources Management from the University of Mauritius and completed a Master in Business Administration in 2005 from the University of Technology, Mauritius.

He joined the Civil Service in 1983 and is presently Deputy Permanent Secretary at the External Communications Division of the Prime Minister's Office. During his career, he served in various Ministries.

Mr. Balgobin is a Non-Executive Director on the Board of Directors of the MPA since February 2015.

Mr. Shekur Suntah

Director-General

Mr. Suntah made his debut in 1981 as Civil and Structural Engineer in the UK after graduating in Civil Engineering from the University of Leeds in 1980. In 1987 he took up employment with Sir Alexander Gibb & Partners (Mauritius) as Structural Engineer. He then joined the Mauritius Marine Authority as Civil Engineer in 1988. He subsequently obtained a MSc. (Eng.) in Maritime Civil Engineering from the University of Liverpool, UK, in 1992, following which he was appointed Port Engineer in August 1993. He retained this position until December 1998 when he was promoted Deputy Director-General. He occupied this senior position up to August 2006 when he was appointed Acting Director-General. Till date, he holds the post of Director-General of the Authority since his appointment in November 2007. Mr. Suntah is a Fellow of the Chartered Institute of Logistics and Transport (CILT).

Mr. Suntah has been directly involved over the last 17 years in all aspects of the major Port Sector Reform Programme and has spearheaded the aggressive marketing initiative for the emergence of Port Louis Harbour as a regional container transshipment, cruise and bunkering hub.

He has to his credit the launching of the Ports Association of Indian Ocean Islands and was elected President of the Association in March 2011 for a period of two years. He represents the MPA at the level of the Port Management Association of Eastern and Southern Africa, which was established by the United Nations Economic Commission for Africa, of which MPA is a member since 1988. Mr. Suntah is also MPA's representative at the International Association of Ports and Harbours.

Mr. Suntah also holds directorships on several boards of companies and port related organisations. Moreover, he is a regular speaker and moderator at international Ports and Logistics Conferences worldwide since 2001.

CORPORATE GOVERNANCE REPORT - YEAR ENDED 30 JUNE 2021 (CONTD)

Principle 3: Director Appointment Procedures (Contd)

Directors' Profiles (Contd)

Mr. Om Kumar Dabidin

Secretary for Home Affairs, Prime Minister's Office

Mr. Om Kumar Dabidin joined the Ministry of Civil Service in 1982, is now the Secretary for Home Affairs at the Prime Minister's Office (Home Affairs Division). He was appointed Non-Executive Director on the Board of the Mauritius Ports Authority in February 2015.

Mr. Dabidin is, amongst others, Board member of the following statutory bodies:

- (i) Gambling Regulatory Authority - Chairman
- (ii) Cargo Handling Corporation Ltd;
- (iii) Mauritius Oceanographic Institute; and
- (iv) Information and Communication Technologies Authority.

Mr. Dabidin began his career as a teacher and later joined the civil service as Administrative Officer at the Prime Minister's Office. He is a seasoned public officer having held a number of senior positions over the last two decades across a wide range of Ministries: Finance; Youth and Sports; Agriculture, Food Technology and Natural Resources and Civil Service and Administrative Reforms. Mr. Dabidin spearheaded a number of projects in several Ministries and contributed to public sector reforms designed at bringing about more effectiveness and efficiency in public sector service delivery and improving the quality of service to citizens.

Mrs. Vailamah Pareatumbbee

Director Economic and Finance, Ministry of Finance, Economic Planning and Development

Mrs. Pareatumbbee is a Fellow of the Association of Chartered and Certified Accountants since 2001 and a Registered Professional Accountant with the Mauritius Institute of Professional Accountants since 2006. She obtained her Master Degree in Business Administration (MBA) with Specialisation in Finance from the University of Mauritius in year 2000 and in June 2021, she completed a Master Certificate in Sustainable Infrastructure Development and Financing from York University, Canada.

Mrs. Pareatumbbee is presently Director, Economic & Finance at the Ministry of Finance and has vast experiences in the Civil Service which she joined in 1980. Throughout her career she has fulfilled various positions in different government institutions namely the Ministry of Finance, Economic Planning & Development, the Management Audit Bureau, the Ministry of Education, the National Empowerment Foundation, as well as other Institutions such as the National Audit Office and the Ministry of Social Security. She has extensive knowledge and skills in various fields, such as, Public Investment Management, Monitoring and Evaluation, Financial Management, Strategic Thinking, Good Governance Principles, Auditing, Accountancy, Programme/Performance Based Budgeting, Leadership, Quality Assurance as well as Regional Cooperation (SADC, COMESA, AU and IOC).

Mrs. Pareatumbbee was appointed as a Non-Executive Director on the Board of the Mauritius Ports Authority as from October 2013.

Mr. Vivekanand Ramburun

Director of Customs, Mauritius Revenue Authority

Mr. Vivekanand Ramburun was appointed Director of Customs as from 02 February 2016.

He worked previously for 10 years at the Management Audit Bureau (MAB) and has also an experience in Banking. At the level of the MRA, Mr V. Ramburun was a Section Head for the past nine years and acted as Director of Customs on several occasions. He is an Accredited Expert in Customs modernisation and trade facilitation as well as a World Customs Organisation (WCO) Accredited Expert for the implementation of the WTO Trade Facilitation Agreement. He has an extensive experience in consulting and capacity building for Customs administrations in Europe, Central Asia, Caribbean, Africa and Middle East on behalf of the WCO, IMF, Asian Development Bank, SADC, COMESA and Canada Customs. During his career, he was also elected as the Vice Chair of the WCO-East and Southern Africa Region and developed a Regional Strategy for Capacity Building.

CORPORATE GOVERNANCE REPORT - YEAR ENDED 30 JUNE 2021 (CONTD)

Principle 3: Director Appointment Procedures (Contd)

Directors' Profiles (Contd)

Mr. Vivekanand Ramburun (Contd)

Director of Customs, Mauritius Revenue Authority (Contd)

Mr. Ramburun is a Fellow of the Chartered Association of Certified Accountants (FCCA, UK), an Associate Member of the Institute of Quality Assurance (AIQA, UK) and holder of a Master in Business Administration (MBA) with specialisation in Finance.

He was appointed as a Non-Executive Director on the Board of the Mauritius Ports Authority as from February 2016.

Profile of Senior Management Team

Mr. Shekur Sintah

Director-General

Mr. Sintah made his debut in 1981 as Civil and Structural Engineer in the UK after graduating in Civil Engineering from the University of Leeds in 1980. In 1987 he took up employment with Sir Alexander Gibb & Partners (Mauritius) as Structural Engineer. He then joined the Mauritius Marine Authority as Civil Engineer in 1988. He subsequently obtained a MSc. (Eng.) in Maritime Civil Engineering from the University of Liverpool, UK, in 1992, following which he was appointed Port Engineer in August 1993. He retained this position until December 1998 when he was promoted Deputy Director-General. He occupied this senior position up to August 2006 when he was appointed Acting Director-General. Till date, he holds the post of Director-General of the Authority since his appointment in November 2007. Mr. Sintah is a Fellow of the Chartered Institute of Logistics and Transport (CILT).

Mr. Sintah has been directly involved over the last 17 years in all aspects of the major Port Sector Reform Programme and has spearheaded the aggressive marketing initiative for the emergence of Port Louis Harbour as a regional container transshipment, cruise and bunkering hub.

He has to his credit the launching of the Ports Association of Indian Ocean Islands and was elected President of the Association in March 2011 for a period of two years. He represents the MPA at the level of the Port Management Association of Eastern and Southern Africa, which was established by the United Nations Economic Commission for Africa, of which MPA is a member since 1988. Mr Sintah is also MPA's representative at the International Association of Ports and Harbours.

Mr. Sintah also holds directorships on several boards of companies and port related organisations. Moreover, he is a regular speaker and moderator at international Ports and Logistics Conferences worldwide since 2001.

Mrs. Aruna Bunwaree Ramsaha

Deputy Director-General (Management Support Services)

Mrs. Bunwaree Ramsaha is a Fellow of the Association of Chartered and Certified Accountants (FCCA) and also holds a Master's in Business Administration (MBA).

After a brief career in the banking sector, she took employment with accounting firms both in UK and in Mauritius.

She subsequently joined the Mauritius Marine Authority as Accountant in 1993 and was promoted as Finance Manager some four years later. Since 2008, she occupies the post of Deputy Director-General of the Mauritius Ports Authority.

Mr. Shakeel Goburdhone

Deputy Director-General (Technical & Operational Services)

A graduate in Civil Engineering in 1987 from the University of Mauritius, Mr Goburdhone read for a Master in Business Administration in 1996. He was employed as Civil Engineer by Sir Alexander Gibb and Partners from 1987 to 1990. He joined the Authority as Civil Engineer in 1990 and was promoted Port Engineer in 1999. He reckons some twenty-two years of experience. In May 2015, he was appointed Deputy Director-General. He reckons some 33 years' experience in the port sector.

CORPORATE GOVERNANCE REPORT - YEAR ENDED 30 JUNE 2021 (CONTD)

Principle 3: Director Appointment Procedures (Contd)

Profile of Senior Management Team (Contd)

Captain Louis Benoit Barbeau **Port Master**

Captain Barbeau joined the Authority in October 1991 as Pilot and was promoted to the post of Senior Pilot in 1999. In May 2004, he was appointed Assistant Port Master and subsequently Port Master in June 2009. He obtained a Master's Certificate in 1989 from Australia, a Graduate Diploma in Port & Terminal Management in 1999 from the Australian Maritime College and an MBA in Maritime & Logistics in 2010 from the University of Tasmania.

Mr. Narad Dawoodarry **Director, Legal & Administrative Services (Retired on 31 May 2021)**

Mr. Dawoodarry obtained his Bachelor Degree in 1979 from the University of Punjab. He then qualified as a Chartered Secretary from the Institute of Chartered Secretaries and Administrators (UK) in August 1990 before reading for a Master's Degree in Public Sector Management at the University of Technology, Mauritius in 2003. In April 1991, he was elected as a Chartered member of the then Chartered Institute of Transport (UK) now renamed as the Chartered Institute of Logistics and Transport. He was upgraded as a Fellow of the Chartered Institute of Logistics and Transport since June 2006. He became an Associate Member of the Institute of Professional Managers (UK) in July 1993.

He started his career in the Civil Service in 1981 before taking employment as Administrative Officer with the Embassy of the Republic of Korea from 1988 - 1991. Thereafter, he joined the Trust Fund for Disabled Persons as Secretary/Treasurer until July 1993. He subsequently took up employment with the then Mauritius Marine Authority in August 1993 as Secretary before being promoted to the post of Administration Manager in 1999. Thereafter in December 2010, he was appointed as Director, Administrative and Legal Services, which has now been restyled as Director, Legal & Administrative Services.

He is a member of the Mauritius Institute of Directors and was appointed as the Secretary of the Ports Association of the Indian Ocean Islands since January 2016.

Mr. Shreeganes Ganga **Director, Finance**

Mr. Ganga is a Fellow of the Association of Chartered and Certified Accountants (FCCA) and holds an MBA with specialisation in Finance from the University of Mauritius.

He first joined the Authority in September 1999 as Assistant Accountant and was promoted Accountant in March 2003. He was offered appointment as Senior Accountant in March 2007 before being promoted to the post of Finance Manager in June 2009. In December 2010, he was appointed as Director, Finance.

Mr. Chandradutt Rogbeer **Corporate Auditor**

Mr. Chandradutt Rogbeer (FCA) is a Chartered Accountant of the Institute of Chartered Accountants in England and Wales (ICAEW), and a member of the Chartered Institute of Management Accountants (CIMA). Since last year, he has achieved the status of ICAEW Business and Financial Professional and since then his designation is BFP FCA. Prior to joining the former Mauritius Marine Authority as Internal Auditor in 1993, he worked with the National Audit Office. In 1998, he was appointed Internal Audit Manager, and subsequently in December 2010, he was appointed as Corporate Auditor. As at date he has completed 41 years of service with 27 years at the MPA.

CORPORATE GOVERNANCE REPORT - YEAR ENDED 30 JUNE 2021 (CONTD)

Principle 3: Director Appointment Procedures (Contd)

Profile of Senior Management Team (Contd)

Mr. Ravishankar Woottum Director, IT Services

Mr. Woottum holds a Bachelor's Degree from the University of Mauritius. He also holds a Master's in Business Administration from the same university.

Mr. Woottum started his career as a teacher before shifting to the Development Bank of Mauritius. He then joined the former Mauritius Marine Authority as Computer Programmer/Supervisor in 1988 and served in that position for eight years. In 1997, he was appointed as Computer Analyst. He was then promoted IT Manager in 2006. In December 2010, he was appointed as Director, IT Services.

Mr. Sandesh Seelochun Director, Port Development

Mr. Seelochun qualified for a Master's Degree in Industrial and Civil Engineering in 1990. He additionally holds a Master's Degree in Business Administration (MBA) with specialisation in Project Management since 2011. He is a Registered Professional Engineer with the Council of Registered Professional Engineers [Mauritius] since 1993, a Fellow of the Chartered Institute of Logistics and Transport (UK), a Member of the Institution of Engineers (Mauritius), and an Associate Member of the Chartered Institute of Arbitrators (UK).

He started his professional career at the Central Water Authority in 1991 where he joined as Trainee Engineer and was subsequently appointed Executive Engineer. He joined the then Mauritius Marine Authority in 1996 as Civil/Senior Civil Engineer. He was promoted Project Engineer in 1999 with his post being restyled firstly, Assistant Port Engineer in 2001 and subsequently, Manager Port Development in 2010. Mr. Seelochun was appointed Director, Port Development in December 2015.

Mr. Mukhram Moloo Director, Human Resources

Mr. Moloo holds an MSC in Port Management and Shipping Administration from the University of Mauritius.

He joined the Mauritius Ports Authority as Executive Assistant on April 25, 1977 and was subsequently offered appointment as Personnel Officer. The post was restyled as Assistant Human Resources Manager with the implementation of the HRD Report 2000. He was appointed Director, Human Resources effective as from April 15, 2015.

Captain Kavidev Newoor Deputy Port Master

Captain Newoor joined the Authority in July 1996 as Pilot. He was appointed as Assistant Port Master in November 2006 and subsequently Deputy Port Master in June 2017. He is a Fellow of the Chartered Institute of Logistics and Transport (UK) and a member of International Association of Harbour Masters.

He holds a Certificate of Competency Class I (unlimited, Master Mariner) issued by the Maritime and Coast Guard Agency, UK, since 1996. He obtained a Master's Degree in Harbour Master and Port Management in 2010 from the Middlesex University followed by a Master in Business Administration from MANCOSA, Republic of South Africa in 2011.

He was also awarded the Harbour Master's Certificate in 2007 from the Nautical Institute, UK, which is an International recognised body for qualified mariners with an interest in nautical science and to acquire high standards of knowledge, qualifications and competence.

CORPORATE GOVERNANCE REPORT - YEAR ENDED 30 JUNE 2021 (CONTD)

Principle 3: Director Appointment Procedures (Contd)

Profile of Senior Management Team (Contd)

Mrs. Nomita Seebaluck

Ag. Director, Port Operations

Mrs. Seebaluck graduated with a B.A (Hons) degree in Economics from the University of Delhi (India) in 1994 and obtained a Master in Economics from Delhi School of Economics (India) in 1996. In 2007, she obtained an MSc in Port Management and Shipping Administration with distinction from the University of Mauritius. She is also a holder of a Diplôme d'Etudes en Langue Française et Diplôme Approfondi de Langue Française from Centre International d'Etudes Pédagogiques (CIEP).

Mrs. Seebaluck is also a Chartered Member of the Chartered Institute of Logistics and Transport (MCILT) and she was the President of the local branch of the Association of Women Managers in the Maritime Sector in the Eastern and Southern Africa, WOMESA Mauritius from 2011 to 2016.

She started her career as Education Officer in 1996. She later joined Happy World Marketing Ltd as Marketing Officer from 1998-2002. Afterwards, Mrs. Seebaluck worked at the Mauritius Broadcasting Corporation as Marketing Executive from 2002 to February 2004.

She joined the Authority as Assistant Commercial Manager in March 2004 and was promoted in March 2011 as Manager Port Operations. In February 2014, she was assigned additional duties devolving on the post of Director Port Operations following the retirement of the incumbent. In October 2019, she was offered actingship in the grade of Director Port Operations.

Mr. Basdeo Bholanath Dhunnoo

Senior Manager, Technical Services

Mr. Dhunnoo has a B. Tech Degree in Mechanical Engineering from Indian Institute of Technology (IIT) Bombay, a Graduate Diploma in Maritime and Port Management from the National University of Singapore as well as a Masters in Port Management & Shipping Administration from University of Mauritius/Aix Marseille. He is a Registered Professional Engineer (CRPE), and a member of the Chartered Institute of Logistics and Transport, UK.

Mr. Dhunnoo joined the MPA in 1995 as Assistant Workshop Manager, a post which he occupied until 2007 when he was appointed Technical Services Manager. He was appointed Senior Manager, Technical Services with effect from January 2016.

Mrs. Priyathama Seebaruth

Senior Manager, Procurement & Supply

Mrs. Seebaruth is a Fellow of the Association of Chartered Certified Accountants (FCCA), Chartered Member of the Chartered Institute of Logistics and Transport (CILT) as well as an Expert Member of the Institute of Supply Chain Management (IOSCM). She also holds an MBA with Specialisation in Finance and an MSc in Procurement & Supply Chain Management.

Mrs. Seebaruth has worked in the Public Sector for over 20 years, including the Central Procurement Board. She joined the Authority in year 2012 as Manager Procurement and was appointed Senior Manager Procurement & Supply with effect from January 2016.

Mr. Gowraj Angad

Senior Manager, Estate Management

Mr. Angad is a practicing Land Surveyor, holding a First Class BSc (Hons) in Land Surveying and a Land Surveyor's Commission. He studied law as an external student of the University of London, prior to completing his post-graduate study in hydrographic survey in Japan, leading to his accreditation as an International Hydrographic Surveyor (B). He also holds a Master's in Business Administration from the University of Technology.

Mr. Angad joined the Civil Service in August 1994 as Trainee Surveyor and was promoted as Land Surveyor in 1999, after having successfully completed his Land Surveyor Commission (Gold Medallist of the University of Mauritius on two occasions). He joined the MPA in 2007 as Land Surveyor, a post he occupied until December 2010 when he was

CORPORATE GOVERNANCE REPORT - YEAR ENDED 30 JUNE 2021 (CONTD)

Principle 3: Director Appointment Procedures (Contd)

Profile of Senior Management Team (Contd)

Mr. Gowraj Angad (Contd)

Senior Manager, Estate Management

appointed as Manager, Land Administration and Surveying and subsequently promoted to Senior Manager, Estate Management effective January 2016.

Principle 4: Director Duties, Remuneration and Performance

Code of Ethics

The MPA has adopted a Code of Ethics which can be viewed on its website and all Board Members are fully aware of their legal rights and duties. The Board of Directors is also mindful of the interest of other stakeholders such as suppliers, clients and the public at large when running its operations and is committed to high standards of integrity and ethical conduct in dealing with them.

Furthermore, the Authority and its employees must, at all times, comply with all applicable laws and regulations. The Authority will not condone the activities of employees who achieve results through violation of the law or unethical business dealings. This includes any payment for illegal acts, indirect contributions, rebates, and bribery. The Authority does not permit any activity that fails to stand the closest possible public scrutiny.

All business conduct should be above the minimum standards required by law. Accordingly, employees must ensure that their actions cannot be interpreted as being, in any way, in contravention of the laws and regulations governing the Authority's operations. Employees uncertain about the application or interpretation of any legal requirements should refer the matter to their superior, who, if necessary, should seek the advice of someone at the highest level of the Authority's hierarchy.

The Authority is committed to a policy for fair, honest dealing and integrity in the conduct of its business. This commitment, which is actively endorsed by the Board, is based on a fundamental belief that business should be conducted honestly, fairly and legally.

Board Evaluation

It is noted that the Directors forming part of the Board of the Authority, especially those who are members of Board Committees, have been appointed in the light of their wide range of skills and competence acquired through several years of working experience and professional background. The Board of the Authority is of the view that its composition is adequately balanced and that the current Directors have the range of skills, expertise and experience to carry out their duties properly.

Furthermore, Non-Executive Directors are chosen for their business experience and acumen as well as their ability to provide a blend of knowledge, skills, objectivity, integrity, experience and commitment to the Board. These Directors are free from any business or other relationships which would materially affect their ability to exercise independent judgement and are critical observers.

The Authority does not evaluate the Board, sub-committees and directors since the board members are appointed by the Minister. However, the Board members are performing to the satisfaction of the Parent Ministry who appoints them on the Board. On the other hand, the Board members are to pursue training and development programmes within the framework of Continuous Professional Development. The MPA is also envisaging to conduct executive development programme for the Board members as soon as the situation permits it.

Remuneration of Directors, Executives and Staff

The Directors sitting on the Board and Committees of the Mauritius Ports Authority are paid fees for their attendance which is determined by the MPA Board.

The remuneration arrangements for the Director-General and staff of the MPA are determined by the Board on the basis of a Human Resources Development Report. The Authority's remuneration policy provides for a review of salaries every four years.

Principle 4: Director Duties, Remuneration and Performance (Contd)

Remuneration of Directors, Executives and Staff (Contd)

A total sum of Rs 1,049,200 has been paid to members of the Board and Committees of the Board during the year under review as follows:
Fees paid to members of the Board and Committees

Board/Committee Members	Board Committee Rs.	Nomination & Staff Committee Rs.	Audit Committee Rs.	Finance Committee Rs.	Land Lease Management Committee Rs.	Corporate Governance Committee Rs.	Port Licensing Committee Rs.	Total Rs.
Mr. Shankhnad Ghurburrun* (As from 01 June 2021)	-	-	-	-	-	-	-	-
Mr. Ramalingum Maistry* (up to 31 May 2021)	-	-	-	-	-	-	-	-
Mr. Shekur Sintah*	-	-	-	-	-	-	-	-
Mr. Kechan Balgobin	184,000	48,000	-	44,000	4,000	-	16,000	288,000
Mrs. Rajwantee Bucktowar	-	-	-	-	-	-	-	-
Mrs. Ourmilla Ramkurrun Sepaul	-	-	-	-	-	-	-	-
Ms. Maheswaree Naraini Madhub	-	-	-	-	4,000	-	-	4,000
Mr. Om Kumar Dabidin	184,000	-	24,000	-	-	20,800	-	220,800
Mrs. Vailamah Pareatumbbee	184,000	-	-	57,200	8,000	-	16,000	253,200
Mr. Vivekanand Ramburun	184,000	-	31,200	-	-	16,000	-	223,200
Mr. J. Audit	-	-	-	-	-	-	-	-
Mr. Doorgesh Kumar Manikaran	-	-	-	-	8,000	-	-	8,000
Mr. Vedacharya Vyas Sharma Chuckun	-	-	-	-	8,000	-	-	8,000
Mrs. Roshni Bissessur	-	-	-	-	8,000	-	-	8,000
TOTAL	736,000	48,000	55,200	101,200	40,000	36,800	32,000	1,049,200

*Mr. Ramalingum Maistry and Mr. Shankhnad Ghurburrun are not paid any Board fee. Instead, they have earned a total fee of Rs 1,592,250 and Rs 68,000 for the year ended June 2021 respectively as Chairman. Mr. Shekur Sintah as well does not earn any Board fee but has received total emoluments of Rs 3,174,787 for the year ended 30 June 2021 as Director-General.

Principle 4: Director Duties, Remuneration and Performance (Contd)

Remuneration of Directors, Executives and Staff (Contd)

Representation of MPA officers on Board of statutory bodies and companies

	Directors	Date appointed	Total Fees inclusive of Tax for year ended June 30, 2021 (Rs.)	Alternate	Date appointed	Total Fees inclusive of Tax for year ended June 30, 2021 (Rs.)
Cargo Handling Corporation Ltd	Mr. Shekur Sintah, Director-General	30.09.15	158,500	Mrs. Aruna Devi Bunwaree Ramsaha, Deputy Director-General (Management Support Services)	30.09.15	Nil
	Mr. Shakeel Goburdhone, Deputy Director-General (Technical & Operational Services)	30.09.15	129,000	Captain Kavidev Newoor, Deputy Port Master	06.04.18	Nil
Mauritius Cargo Community Services	Mr. Shekur Sintah, Director-General	30.09.15	180,000	Mrs. Aruna Devi Bunwaree Ramsaha, Deputy Director-General (Management Support Services)	30.09.15	Nil
Les Moulins de la Concorde Ltée	Mrs. Aruna Devi Bunwaree Ramsaha, Deputy Director General (Management Support Services)	30.09.15	130,000	Captain Louis Benoit Barbeau, Port Master	30.09.15	Nil
Froid des Mascareignes Ltée	Mrs. Aruna Devi Bunwaree Ramsaha, Deputy Director-General (Management Support Services)	30.09.15	6,000	Mr. Shreeganes Ganga, Director, Finance	30.09.15	Nil
State Trading Corporation	Captain Louis Benoit Barbeau, Port Master	30.09.15	Nil	Mrs. Nomita Devi Seebaluck, Ag. Director, Port Operations	30.09.15	Nil
	Mr. Narad Dawoodarry, Director, Legal & Administrative Services (up to 26 May 2021)	30.09.15	110,815	Mr. Shreeganes Ganga, Director, Finance	30.09.15	Nil
	Mr. Chandradutt Rogbeer, Corporate Auditor	26.05.21	10,000			

Principle 4: Director Duties, Remuneration and Performance (Contd)

Remuneration of Directors, Executives and Staff (Contd)

Representation of MPA officers on Board of statutory bodies and companies

	Directors	Date appointed	Total Fees inclusive of Tax for year ended June 30, 2021 (Rs.)	Alternate	Date appointed	Total Fees inclusive of Tax for year ended June 30, 2021 (Rs.)
Maurinet Investment Ltd	Mr. Shreeganes Ganga, Director, Finance	12.11.15	120,000	Mrs. Nomita Devi Seebaluck, Ag. Director, Port Operations	12.11.15	Nil
	Mr. Sandesh Kumar Seelochun, Director, Port Development	12.11.15	120,000	Mr. Gowraj Angad, Senior Manager, Estate Management	12.11.15	Nil
Mauritius Network Services Ltd	Mr. Shreeganes Ganga, Director, Finance	12.11.15	123,000			
Mauritius Shipping Corporation Ltd	Mr. Shekur Suntah, Director-General		Nil	Captain Mamode Imran Dowlut Assistant Port Master	14.10.20	12,000
Oceanarium (Mauritius) Ltd	Mr. Chandradutt Rogbeer, Corporate Auditor	24.03.17	Nil	Mr. Bholanath Basdeo Dhunnoo Senior Manager, Technical Services	24.03.17	Nil
Seafarers' Welfare Fund	Mr. Mukhram Moloo, Director, Human Resources	30.09.15	Nil	Mr. Gowraj Angad, Senior Manager, Estate Management	30.09.15	9,790
Mauritius Oceanographic Institute	Captain Louis Benoit Barbeau, Port Master	30.09.15	2,400	Mr. Rughooputh, Bussunth Kumar Manager, Port Environment	11.01.21	6,000
National Ocean Council	Mr. Shekur Suntah, Director-General	30.06.15	-			

CORPORATE GOVERNANCE REPORT - YEAR ENDED 30 JUNE 2021 (CONTD)

Principle 4: Director Duties, Remuneration and Performance (Contd)

Conflict of Interest

The Board of Directors strictly believes that a Director should make his best effort to avoid conflict of interest or situation where others might reasonably perceive such a conflict. A Director who has declared his interest shall not vote on any matter relating to transaction or proposed transaction in which he is interested and shall not be counted in the quorum present for the purpose of that decision.

It is the responsibility of each Director to ensure that any conflict of interests be recorded by the Secretary to the Board or Secretary to the Committee.

In accordance with the disclosure requirements under the Code of Corporate Governance, details of the remuneration payable to the Board of Directors and fees derived by MPA Officers sitting on board of statutory bodies and companies for the reporting year are shown on pages 33 - 36.

Related Party Transactions

For details on Related Party Transactions, please refer to Note 36 of the audited financial statements.

Information, Information Technology and Information Security Governance

The Board is responsible to oversee information governance within the Authority and ensures that there is a strategic alignment of both Information and Information Security with its business strategy in order to create value.

The Board ensures that sufficient resources are allocated in the annual budget towards the implementation of an Information and IT Security frameworks.

Board Information

The Chairperson, with the assistance of the Secretary, ensures that Directors receive all information necessary for them to perform their duties and that the Board has sufficient time for consultation and decision-making.

The Board members of the MPA ensure that matters relating to the Authority, learned in their capacity as Directors, are strictly confidential and private and shall not be divulged to anyone without the authority of the Board.

Principle 5: Risk Governance and Internal Control

Internal Control and Risk Management

The Audit & Risk Management Department (ARMD) provides reasonable assurance that the Authority's risk framework is adequately managed and that the financial position and the results disclosed in the audited accounts are free from any material misstatements, in accordance with the pre-approved Audit & Risk Management Work Plan.

The ARMD played an active role in the budgetary control process by undertaking a comparison of actual financial performance against budgetary forecast and same is brought to the attention of the Audit Committee on a continuous basis. The ARMD has also engaged in several advisory tasks and pre-audit of financial undertakings of the Board.

CORPORATE GOVERNANCE REPORT - YEAR ENDED 30 JUNE 2021 (CONTD)

Principle 5: Risk Governance and Internal Control (Contd)

Internal Control and Risk Management (Contd)

The ARMD has, amongst others, also assessed the governance process in accomplishment of its objectives on issues as recommended by the guidelines of the National Committee on Corporate Governance pursuant to Section 65(c) of the Financial Reporting Act 2004 for substantiating that the MPA Board remains the focal point of the Corporate Governance system and is accountable for the performance and administration of the affairs of the Authority.

Fraud Risk Management: Besides providing oversight and assurance to the Audit Committee on controls over systems and processes, the Audit & Risk Management Department has equally assisted Management as follows:

- by facilitating the implementation of the Public Sector Anti-Corruption Framework in the Security Unit
- in the discharge of its responsibilities by evaluating internal controls used to detect or mitigate fraud and evaluating assessment of fraud risk; and
- in creating awareness on Conflict of Interest and Overtime Management in organisational functions.

The Audit & Risk Management Department has also ensured customary liaison with and coordination between the External Auditor whose role is to report independently on financial statements. Besides, upon obtaining sufficient understanding on the Department's activities, the External Auditor has positively assessed the deliverables of the Internal Audit & Risk department.

As regards whistleblowing rules and procedures, it is observed that there are processes to record actual or potential conflicts of interest and to handle complaints. In October 2019, the MPA has amended its Equal Opportunity Policy by elaborating a grievance reporting mechanism for aggrieved employees. On the other hand, the MPA has established a mechanism to handle anonymous letters and complaints. The MPA has also already established a Customer Service Charter and put in place a proper framework to handle complaints.

Principle 6: Reporting with Integrity

Statement of Directors' Responsibilities in respect of the Preparation of Financial Statements

The Directors affirm their responsibilities for preparing the Annual Report and Financial Statements of MPA that fairly present the state of affairs of the Authority and the results of its operations.

The MPA Annual Report is uploaded on the MPA website and is available in full for consultation by any interested party.

Dividend Policy

As per Section 16(3) of the Ports Act 1998, the net surplus of the Authority shall be applied for the creation of a general reserve, specific reserves or the payment of dividends as the Authority may think fit and as the financial situation of the Authority will permit.

Health, Safety and Environmental Issues

The Authority is committed to the general rules and regulations governing the health, safety and environmental issue. The Authority is engaged to minimising any adverse effect of its operations on the environment and on the health and safety of its employees and the community in which it operates.

CORPORATE GOVERNANCE REPORT - YEAR ENDED 30 JUNE 2021 (CONTD)

Principle 6: Reporting with Integrity (Contd)

Health, Safety and Environmental Issues (Contd)

During the year under review, the following events were organised by the Authority:

SN	Dates of Training	Topics
1.	09 July 2020	Safety & Health Induction Training
2.	31 July 2020	Pre-Fire Drill Briefing
3.	06 October 2020	Safety at Work
4.	28 October 2020	Procedure for closing canteen, operating gas equipment and handing over
5.	10 December 2020	COVID-19 procedures Cleaning & disinfection Hygiene PPE & sanitary measures
6.	11 December 2020	Heavy vehicles Road Safety
7.	22 December 2020	Safety & Health Induction Training
8.	26 January 2021	Briefing for COVID-19 Vaccine
9.	27 January 2021	Briefing for COVID-19 Vaccine
10.	5 February 2021	Briefing for chest infection
11.	8 February 2021	Briefing for chest infection
12.	9 February 2021	Talks on Chest infection
13.	26 February 2021	Safety & Health Induction Training
14.	01 March 2021	Safety & Health Induction Training
15.	19 May 2021	Briefing for COVID-19 Vaccine
16.	20 May 2021	Briefing for COVID-19 Vaccine
17.	25 May 2021	Briefing for COVID-19 Vaccine
18.	26 May 2021	Briefing for COVID-19 Vaccine
19.	03 June 2021	Safety & Health Induction Training

Social Issues

The MPA aims at giving equal opportunities to its employees. For any new recruitment or promotion exercise, it is advertised both internally and externally. Necessary action is being taken for implementing a performance framework for aligning the strategic goals of the MPA for career development. The length of service of employees is also recognised and rewarded through events.

The MPA recognises the importance of the role it has to play in society and it actively participates in endeavours to alleviate social and environmental problems. The Authority is also committed to creating sustainable value for the social and economic well-being of the society.

Corporate Social Responsibility, Political Donations and Contributions

There has been no political donation for the year under review.

An amount of Rs. 908,952 was incurred during the financial year 30 June 2021 pertaining to donations.

CORPORATE GOVERNANCE REPORT - YEAR ENDED 30 JUNE 2021 (CONTD)

Principle 7: Audit

Internal Audit

The Audit & Risk Management Department reports its findings to the Audit Committee.

External Audit

Appointment of external auditors is in accordance with the provisions of Public Procurement Act 2006, and the procurement method chosen is restricted bidding, where a minimum of two weeks is allowed for the selected bidders to quote. Evaluation of bids is made by the Bid Evaluation Committee and its recommendations are examined by the Finance Committee and Audit Committee and finally approved at the MPA Board. The award of contract is for a period of one year and renewable up to a maximum of 5 years subject to satisfactory performance of the selected external auditor.

The Audit & Risk Management Department which reports to the Audit Committee plays a key role in keeping under review the scope and results of the External Audit with regards to the following:

- Efficiency in meeting time scheduled
- Effectiveness and performance of the audit team
- Independence and good communication with audit committee
- Objectivity in their judgements through their weakness letter

The External Auditor was appointed on 18 August 2021 to perform an audit for the year ended 30 June 2021.

The Board has, at its Meeting of 28 July 2021 approved the appointment of Grant Thornton Mauritius, External Auditors, for financial year 30 June 2021.

- **Information on non-audit service and amount paid**

The present External Auditors have not been awarded any non-audit services during the period of the audit.

- **Amount paid to External Auditors**

The amount payable to Grant Thornton Mauritius is Rs 1,000,000 plus VAT.

In order to ensure that the External Auditors' objectivity and independence are safeguarded if they undertake non-auditing services, the Audit Committee should examine the nature of such services and ensure that the members of the audit team do not form part of such assignment thus ensuring that there is no conflict of interest at any point in time.

Principle 8: Relations with Shareholders and Other Key Stakeholders

Shareholders' Agreement

Given that the MPA is a statutory body established under the Ports Act 1998, there is no shareholders' agreement.

Employee Share Option Plan

No Employee Share Option Plan is available.

Third Party Management Agreement

Save and except for Concession Agreements between the Mauritius Ports Authority and the Cargo Handling Corporation Ltd in respect of the provision of cargo services at the Mauritius Container Terminal and the Multi-Purpose Terminal, there was no management agreement between third parties and the MPA during the year under review.

CORPORATE GOVERNANCE REPORT - YEAR ENDED 30 JUNE 2021 (CONTD)

Principle 8: Relations with Shareholders and Other Key Stakeholders (Contd)

Shareholders' and Stakeholders' Communication

The Board of Directors places great importance on clear disclosures, open and transparent channel of communication with all its stakeholders. It endeavours to keep them regularly informed on matters pertaining to and affecting the Authority.

Through the MPA's website namely www.mauport.com information is provided to all stakeholders on the activities of the MPA, on the latest news and on new services which have been launched.

Given that the MPA is a statutory body established under the Ports Act 1998, it does not have any shareholder. The MPA falls under the aegis of the External Communications Division of the Prime Minister's Office and thus regularly apprises the Ministry on important policy issues and events.

The Port Users' Council consisting of representatives of persons interested in the operation and use of a port was initially set up upon an express recommendation of the World Bank. The objectives of the Port Users' Council are to interact with port users for efficient port operations; promote the facilities, services and future potentials of the port.

In line with Section 10 of the Ports Act 1998, the Authority may consult a port users' council on any matter concerning the port, including, without prejudice to the foregoing generality for the:

- (a) provision of port and marine services and facilities;
- (b) rates, charges, dues and fees levied by the Authority; and
- (c) expansion or development of the port.

The Authority may also consider any matter concerning a port which may from time to time be referred to it by the Port Users' Council.



Chairman
Shankhnad Ghurburrun



Director-General
Shekur Suntah

Date: 10 December 2021



POLICY STATEMENTS

1. Quality Policy

As part of our commitment to continuous improvement, customer focus and compliance with regulatory and statutory requirements, the Quality Policy of the Mauritius Ports Authority is based on the principles that identify, manage and evaluate our key business activities, and reduce process, people, and health and safety risks.

The principles of planning, practices and people are key features of our Integrated Quality Management System and are monitored for continuous improvement. Our Integrated Quality Management System describes the way in which the MPA undertakes its activities and ensures a coordinated approach across the different business clusters.

MPA is certified as ISO 9001:2008 Quality Management System and ISO 14001 Environmental Management System and is gearing itself to meet the requirements of ISO 27001 Information Security Management.

2. Environmental Policy

The Authority is committed to minimizing the impact of its operations on the port environment and caring for the environment is one of the Authority's operational concerns. Realizing that we work in a global environment with varying conditions, challenges and capabilities, the Authority also endeavors to improve the environmental performance continually through effective environmental management programs.

In its continual pursuit of maintaining a sound environment, the MPA is focusing on the following initiatives:

- Expanding its environmental goals and objectives and monitoring its progress

- Complying with the relevant environmental laws and regulations
- Developing, constructing and operating its facilities in an environmentally responsible manner that promotes the prevention of pollution
- Integrating environmental issues into the business decision-making process
- Using environmentally responsible products where possible
- Preserving resources by re-using recycling materials and using less of them, wherever possible.

Our mission is to stimulate economic growth by transforming our port into a dynamic logistics hub whilst providing sustainable and competitive integrated services. We aim to become the leading Authority driving Mauritius as a preferred regional Maritime Gateway.

Our organisation shall demonstrate leadership and commitment with respect to statutory, legal, customer and the relevant ISO Standards requirements including those pertaining to identified environmental aspects.

We recognize our responsibility for environmental protection and ensure sustainable port development whilst at the same time offering quality services to our valued customers through our quality and our environmental management systems.

We shall continually improve the effectiveness of our Quality and Environmental Management Systems by reviewing our objectives and targets and by adopting a risk-based approach for all our processes and operations.

To support our endeavour to satisfy the needs of our interested parties and commit ourselves to adopt quality and environmental best practices we ensure:

- Regular gathering and monitoring of customer feedback with a view of improving our services, environmental

performance and maintaining customer satisfaction.

- Training and development of our employees to foster a quality culture, environmental awareness and sense of responsibility within the organization.
- Preservation of our local marine eco-system, biodiversity and sensitive habitats by adopting a balanced strategy between port development and environment protection.
- Our Environmental and Quality objectives are targeted to improve the environmental management performance and customer service standard of the port.
- Pollution prevention and emergency preparedness measures are in place to deal with emergency situations arising from port operations such as bunkering, oil spills, contamination of marine ecosystems, and handling of dangerous cargoes, dust emissions and noise.
- Reduction of waste through responsible use of resources and as far as practicable favour the re-use, recycling and purchase of materials from sustainable resources.
- Promotion of efficient use of resources such as water, electricity, raw materials, fuel consumption and those that are renewable in an effort to reduce our greenhouse gas emissions.
- Communication of our stewardship in Quality and Environment to our customers, port stakeholders, interested parties and encourage them to support it.

3. Safety and Health Policy

The MPA, as the sole national Port Authority places the highest emphasis on safety and health in conducting its daily business. The organisation is committed to ensuring that all employees and other persons working on the Authority's premises including the port of Port Mathurin are adequately informed and trained, and work in an environment that is as far as reasonably practicable, free of hazards that may lead to personal injury or work-related ill health.

The MPA adheres to the guiding principles of the ILO Occupational Safety & Health Management system 2001 and believes in the key principles of constant promotion, improvement of safe working practices, safety awareness and a commitment to safety on the part of each and every person involved.

To achieve these Key Principles, we are committed to:

1. Identify hazards and conduct risk assessments for all activities associated with the operational requirements of the Mauritius Ports Authority and establish controls to manage the associated risks to an acceptable level;
2. Ensure safety practices and procedures are developed, implemented and maintained throughout the organisation which are relevant to the operational activities, and promote the involvement of all personnel in the maintenance of a safe working environment;
3. Comply with the Occupational Safety & Health Act 2005 together with its subsidiary regulations and industry related legislative requirement so that every individual who works for the Authority or on its premises will share the benefits of a safe workplace;
4. Ensure that employees and their representatives are consulted and encouraged to participate actively in all elements of the Occupational Safety & Health Management System.
5. Provide training, instruction, information, supervision and resources necessary to support the implementation of Occupational Safety and Health Management System;
6. Ensure appropriate emergency procedures exist and are tested and recorded in all work locations and that personnel understand the procedures relevant to their location and the greater work area;
7. Maintain and review measurable objectives and targets to ensure continual improvement towards the prevention and reduction of work-related injury and illness;
8. Ensure appropriate procedures are maintained for the reporting, investigating and review of all safety incidents and situations likely to be hazardous to a safe working environment;
9. Provide appropriate protective equipment with adequate training in compliance with statutory requirements, to meet the relevant needs of each work activity;
10. Continuously improve the Authority's working environment and the performance of the Occupational Safety & Health Management System; and
11. Ensure that all employees of the Authority have the right to report to management any unsafe act or unsafe condition.

Through the active participation and commitment of all Mauritius Ports Authority employees and contractors, we will strive to meet and go beyond the requirements of this policy.

4. Security Policy

The Mauritius Ports Authority is responsible for the security and protection of port infrastructure and assets, and the provision of risk-based security services.

In response to the risk of terrorism, the MPA has interpreted the International Ship and Port Facility and Security (ISPS) Code to:

- ensure compliance with all relevant security legislations;
- maintain a Security Committee, which meets frequently to review and update critical procedures and instructions with respect to its people and operations in emergency circumstances;
- ensure management responsibility and accountability for security;
- audit and review its security system and performance periodically;
- consider the security aspects of all new projects;
- provide and maintain a secure environment for employees, guests and visitors; and
- continually improve the performance of its security management system.

In this regard, the port waters and the land area under the control of the Authority are being closely and constantly scrutinized by trained Police and MPA officers operating from a centralized surveillance control room on a 24/7 basis.

In addition to the MPA's port security plan, other port facilities and port service providers have to get their security plans outlining the measures and procedures undertaken to protect vessels that trade in the port waters and the port infrastructure that services those vessels certified by the MPA.

In the pursuit of its mandate for the enhancement of port security, the Mauritius Ports Authority aligns itself to the requirements of the National Maritime and Harbour Security Committee for the implementation of security systems policies and procedures at Port Louis Harbour and Port Mathurin.

5. Equal Opportunity Policy

The Mauritius Ports Authority has maintained a longstanding commitment to equal employment opportunity for all employees and applicants for employment. Section 9 of the Equal Opportunities Act 2008 provides that every employer needs to draw up and apply an Equal Opportunity Policy at its place of work with a view to minimizing the risks of discrimination and promoting recruitment, training, selection and employment on the basis of merit.

The principal aims of an Equal Opportunity Policy Statement are to ensure the following: -

- no job applicant or worker receives less favourable treatment than another, on the basis of his or her status, that is, age, caste, colour, creed, ethnic origin, impairment, marital status, place of origin, political opinion, race, sex or sexual orientation;
- no job applicant or worker is placed at a disadvantage by requirements, provisions, criteria, conditions or practices, unless they can be justified as a necessary and appropriate means of achieving a legitimate aim; and
- workers are given training and encouragement to take equal advantage of opportunities in the organization, irrespective of their status.

In view of our commitment to the principle of equality and to be in line with the legal requirements, an Equal Opportunity Policy Statement as approved by the MPA Board has been implemented since July 2013 covering all aspects of employment including recruitment, terms and conditions of work, training and development, promotion, performance, grievance, discipline, treatment of workers and termination of employment.

The Policy Statement will enable the Authority to reduce the risks of grievances, damage to productivity, staff morale and the organization's reputation as well as foster good relations in the work place.

6. Data Protection policy

During the course of its operations, the MPA collects, processes and stores personal data. The MPA is registered as Controller and as such, the necessary mechanism has been put in place to ensure security of personal data of the Authority's employees and stakeholders, in accordance with the provisions of the Data Protection Act 2017.

The MPA shall lawfully process data in accordance with the Data Protection Act.

To exercise data protection, the MPA undertakes to:

1. Process personal data of data subjects lawfully, fairly, and in a transparent manner.
2. Collect the personal data that will be adequate, relevant and limited to what is necessary for the purpose mentioned during data collection.
3. Implement necessary steps to ensure personal data collected is accurate and up to date.
4. Retain the personal data for no longer than is necessary.
5. Process personal data in accordance with the rights of data subjects.
6. Adopt appropriate measures to protect personal data from unauthorised or unlawful processing and from accidental loss, damage or destruction.

The MPA endeavours to continually review the processes put in place at the level of the organisation to ensure data protection.

Through the active participation and commitment of all MPA employees and stakeholders, the Authority strives to meet the requirement of this policy.

Moreover, in order to improve the Information Security System at the MPA, it is intended to implement an Information Security Governance Framework and accordingly, the MPA has retained the services of a Consultant. The aim of this project is to protect information from internal and external threats, thereby assuring its integrity.



CORPORATE MATTERS

I. COVID-19 Business Continuity Plan

The MPA provides essential services and round the clock marine services for berthing and unberthing of vessels at Port Louis Harbour. Such services are undoubtedly of crucial importance to ensure that there is no disruption in cargo transportation and logistics chain for the supply of essential goods necessary to the community and for the country's exports. Sea cargo includes medical supplies, food, fuel and raw materials, as well as manufactured goods and components vital to the needs of the population. Thus, any interruption in Port operations will have significant negative impact on the logistics chain and on the Mauritian economy.

In the context of the COVID-19 pandemic, Port operations are being carried out under the guidance of the Health Authorities, taking into consideration the essential role of the port in the logistics chain whilst at the same time in mitigating the impact of the disease. In order to ensure continuity of its services, the MPA has elaborated a Business Continuity Plan (BCP) in times of crisis for COVID-19.

The MPA has adopted many measures aimed at preventing and reducing contagion among workers, encourage vaccination and the use of protective equipment together with compliance with social distancing and health directives so as to continue port activities.

Besides sanitary measures, the Port has had to revisit its modus operandi and re-engineer operations and processes to minimise the negative impacts of the COVID-19 pandemic and at the same time to ensure that there is no disruption in the delivery of vital supplies for the benefit of the population.

As the pandemic continues to evolve, the resilience of Port activities will be further put to test and the Business Continuity Plan will have to be adapted along the way.

2. HR Matters

Our People Our Pride

Human capital is one of the prime assets of the Authority. Becoming a high performing organisation is a stepping stone towards achieving the MPA's vision and objectives. The fundamental role of the HR department at the MPA spread over a wide spectrum of areas such as the recruitment and selection process, sound industrial relations, ensuring constant safety of employees, provision of attractive benefits packages. A well-knit training package for each category of staff is also vital in a bid to ensuring the continuous development of human capital to proactively respond to new challenges.

Recruitment & Selection

To usher the Authority to the next level of its development, each department/section must be properly manned with top talents. In this respect, action has been initiated for the filling of consequential vacancies in order to enable the Authority to meet its short and long-term objectives.

Accordingly, following recruitment and selection exercises, thirty-three candidates have been recruited in the grade of Skipper, Controller Marine Engineering, Chief Officer, (Administrative Services), Officer, Audit and Risk Management, Seaman and Trainee Seaman.

Capacity Building

With the successive waves of the COVID-19 pandemic and subsequent lockdowns in 2020 and 2021, the Training Plan 2020-2021 was seriously impacted. Tighter sanitary protocols have been imposed on training providers. Upon resumption of activities in the country, training courses have been provided to MPA employees in the following areas:

- Essential of Food Hygiene and HACCP
- IMDG (on-going via online training)
- Advanced Confidential Secretary Courses
- Standard Safety Defensive Driving
- Heavy Vehicle Driving License Training (ongoing)
- Basic Navigational Foundation course for Harbour Radio officers (in-house training)

Moreover, the Accreditation of Prior learning (APL) project in collaboration with the University of Mauritius is also underway. All participants have successfully passed the Semester 1. Presently, Semester 2 is ongoing. The Certificate in Port Management is a free-standing qualification designed to provide a solid foundation for those already embracing a career within the port whereby, participants would thus have the opportunity to learn basic managerial, financial, IT and engineering skills.

Performance Management System

Performance Management System (PMS) is a strategic management tool which is aimed at developing and empowering the employees to achieve the Authority's vision and objectives. The PMS would focus on the holistic development of employees including identification of training requirements with a view to ensuring efficiency.

The 12-months' cycle of the Implementation phase of the PMS is underway. As at date, 32 appraisers have been provided with PMS appraisers training.

Human Resources Development Plan 2020

In line with the terms of Reference, the Human Resources Development (HRD) Consultants have submitted a preliminary report outlining the main recommendations in respect of the Authority's organisation structure and manpower requirements and other salient issues. In view of the COVID-19 pandemic and ensuing consequences, the finalisation of the HRD Report has been delayed. The Consultants are still working on the assignment.

Conflict of Interest

The MPA is strongly committed to good governance practices and ensures that its affairs are managed in a transparent and ethical manner. Good Governance in public sector organisations recognises the need for having mechanisms and controls in place to prevent, counter and deal with potential conflict of interests. In this context, a policy on conflict of interest has been devised at the MPA in line with the Prevention of Corruption Act 2022.

Safety & Health

The MPA endeavours to ensure that its employees are provided with a safe, secure and healthy working environment in line with the MPA Occupational Safety and health policy. Thus, much emphasis is placed on compliance with safety and health legislations, industry practices and standards. In order to develop a positive safety and health culture at the MPA, a training programme has been established and implemented to ensure that all employees carry out their duties and responsibilities in a safe and healthy manner. All new recruits have to undergo a Safety and Health Induction training in line with the requirements of the Occupational Safety & Health Act 2005. Additionally, where it has been established that particular jobs require specific training according to the findings of a risk assessment, consequently appropriate trainings are being provided.

Promoting the Wellbeing of MPA Employees

The MPA ensures that its employees are working in a sound environment and much importance is placed on the physical and mental wellness of employees. A sports complex has been constructed to the tune of Rs 16.5 million, which includes a football playground and a gymnasium and the facility will be beneficial for the wellbeing of the employees.

In addition, as a responsible Employer, the MPA provides the required personal protective equipment to its staff to ensure their safety. Moreover, following the outbreak of the COVID-19 pandemic, face masks are made available to all employees for daily use. In addition, it is being ensured that employees are working in a healthy and well sanitized environment.

3. Enhancing the Legal Framework

With the emergence of a New Normal brought about by the COVID-19 outbreak, businesses worldwide are confronted with a series of legal issues which need to be addressed as a matter of urgency. Legal concerns of global businesses relate to the new means of doing business, financing, employment and many others.

In the light of the above circumstances, there has been a global call for legal changes in order to adjust to this critical situation. On its side, the Mauritian Government has replaced the existing Quarantine Act with a new one to implement measures intended to better contain the spread of infectious and communicable diseases in light of the COVID-19 experience, as well as to address its challenges. Additionally, there has been another legal supplement, namely the COVID-19 (Restriction of Access to Specified

Institutions, Places and Premises) Regulations 2021 (Government Notices Nos. 194 and 195 of 2021) which precisely defines the conditions for access to specific locations, including Port Louis Harbour and Port Mathurin.

The Authority is putting all efforts to strictly abide by the conditions set forth under the above regulations with a view to better contain and prevent the propagation of the COVID-19 within the premises of the Port.

Additionally, security in the port area is of paramount importance and the Authority is mandated to enforce maritime conventions/regulations ratified by Mauritius. The MPA is therefore required to follow and adhere to all regulatory instruments that are being adopted in the maritime industry for the safe carriage and storage of goods, the moreso, that the Authority has to comply with the recommendations made under various conventions for safe ships and clean oceans. During the year under review, the MPA fulfilled its regulatory responsibilities through a number of activities and ensured the safety and security of all vessels navigating in the port waters.

In the light of the foregoing, the Port Security Regulations have been prepared in compliance with the ISPS Code with a view to further enhance port security at Port Louis and Port Mathurin and to meet its obligation under the Safety of Life at Sea (SOLAS) convention which has been ratified by Mauritius. The regulation has already been approved by the Cabinet and promulgation is in progress. The Port Security Regulations will be applicable to any port facility serving a vessel which is engaged on international voyages and port related area, including cargo/passenger vessels and mobile off shore drilling units.

On another note, with a view to better perform its licensing obligations and in order to ensure a non-discriminatory, consistent and transparent framework for the issue of licences to private operators and service providers and at the same time to safeguard the interests of the port, a draft Ports (Licensing) Regulations is being prepared.

Undisputedly, the implementation of the above regulations will provide a suitable framework to better ensure that the companies under the Authority's jurisdiction operate in compliance with the required standards, whilst bearing in mind consumers' interest.

4. Auditing and Risk Management

The Audit & Risk Management Department (ARMD) has helped in accomplishing MPA's objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of internal controls, risk management & governance processes. The Internal Audit & Risk Management functions are in conformity with standards established by the Institute of Internal Auditors.

For the year under review, an effective relationship with the Audit & Risk Management Committee has been fundamental to the success of the Audit & Risk Management's role and objectives. The Audit & Risk Management Committee has assessed the monitoring and controlling roles of the department and the reporting of strategic as well as emerging risks in a post COVID-19 pandemic situation. During the year, the Committee has also ascertained whether the Internal Audit & Risk

Management plan has covered emerging areas of concern with recommended mitigating strategies.

The department has equally played an active role in the budgetary control process during the year 2020/21. Among compliance audits, operational audits, financial audits, reporting on internal controls, investigations are ongoing throughout the year. The ARMD also assists the Management through pre-audit of substantial payments related to MPA major contracts and procurement of services. With the COVID-19 effect, the ARMD has concurrently ensured that all these activities are of added value with embedded cost controls for ultimately deriving adequate return thereon. The responsibilities were hence increased along with the expected capital and recurrent expenditure.

Through its deliverables in accordance with its pre-approved Audit & Risk Management Plan, the ARMD is being viewed more as partnering with Management and by participating in the making of the MPA a sustainable organisation, whilst promoting business confidence. It will continue to play its role of ensuring sustainability of the MPA finances and competitiveness of all its activities.

Besides providing oversight and assurance to the Audit & Risk Management Committee on controls over systems and processes, the ARMD equally supports Management in the discharge of its responsibilities by:

- I. Establishing a culture of integrity and in creating awareness on Conflict of Interest
- II. Evaluating assessment of fraud risk
- III. Reporting on financial health & operational performance of the organisation
- IV. Providing insight into the effectiveness of risk management
- V. Recommending on efficient and effective use of resources
- VI. Reviewing of regulatory compliance
- VII. Improving internal controls and corporate governance processes

During year 2020/21, much focus was placed towards cost control, while consideration was also given to risk management and governance through a balanced approach, as they are of strategic importance in oversight and governance issues. Managing risks and opportunities has been a key component of our strategies to reinforcing our commitment towards encouraging a good governance culture.

The lines of responsibilities for the identification, assessment, control, monitoring and reporting of risks have been established in a Risk Management Charter and the Risk Management Policy based on the ISO 31000 guidelines. Risks are catalogued regularly in the course of implementation of the annual work plan, followed by measures aimed at reducing the likelihood of their occurrence and/or subsequent loss or damage. In addition, an overall review of risks is carried out at the time of reviewing the Risk Register, comprising mainly strategic risks which are objectives oriented. Identified risks are

classified in departmental risk registers and are assessed in the context of existing circumstances.

The ARMD has also ensured customary liaison with and coordination between the External Auditor whose role is to report independently on financial statements. Besides, upon obtaining sufficient understanding on the Department's activities, the External Auditor has positively assessed the deliverables of the Internal Audit & Risk Management functions for Year 2020/21.

The Internal Audit and the Risk Management functions nevertheless face limitations regardless of how controls and processes are assessed. The department cannot fully guarantee that financial statements are free of all misstatements and all risks are identified and mitigated. In its endeavour to ensure that corporate objectives are achieved, the ARMD will continually ensure that the Authority adopts best practices by taking responsible decisions for obtaining valuable outcome in the interest of the MPA. However, for maintaining ongoing coordinated, systematic and progressive audit approach, effective succession planning and appropriate human resources are of prime importance to-date.

5. The Green Port Initiative

Leveraging the substantial energy savings that can be obtained through the adoption of new technologies and use of renewable energy sources, the MPA has installed a Solar Photo Voltaic (SPV) plant of 10 kWp capacity at the Oil Jetty to power the electrical system. The above initiative falls under the purview of the project financed by the EU Technical Cooperation Facility in 2012 for the appointment of a Consultant to conduct a study with the objective of making Port Louis Harbour a Green Port. Based on the recommendations of the Consultants, steps have been taken to implement energy efficiency and renewable energy measures that have the potential to reduce greenhouse gas emissions (GHG).

The MPA has pursued its efforts towards sustainability and in this context, the services of an experienced consulting firm has already been enlisted to prepare a feasibility study report for the implementation of Solar PV at the MPA and to supervise the implementation of the Solar PV project. SPV is viable when contextualized within the Green Port Initiative and World Ports Climate Initiative (WPCI) and at the national/international level, climate change mitigation strategy supports the PV option. MPA's efforts are also aligned to the implementation of renewable energy initiatives to ultimately achieve the national targets of 35% and 60% renewables in the electricity generation mix in 2025 and 2030 respectively.

The MPA recognises the need to conduct port activities in a sustainable and climate friendly manner in line with its Green Port Initiative (GPI). It is within this context that the MPA further intends, with the technical assistance and funding of the Indian Ocean Commission/World Bank, to commission a feasibility study to define the preferred/best approach for reducing emissions from ships and in particular hotelling cruise vessels. As part of the initiative plans, the project also foresees a study to determine the feasibility and sustainability of shore supply installations for the provision of electrical shore sourced power to ships

when berthing in ports rather than using heavy fuel oil, by connecting to the national electricity grid to provide ships with the necessary energy to power on board facilities such as cargo handling machinery and hospitality needs for both crew and passengers on board ships. Following an Expression of Interest (EOI) exercise under the aegis of the COI, the services of a Consultant have been retained for the feasibility study. This initiative is also the result of increasing concerns regarding potential health and environmental implications. It is also MPA's intention to act as a pioneer on this path and drive change in Mauritius towards an emission free port industry.

Under the GPI, steps have already been taken not only for the implementation of Solar PV but also the application of energy efficient lighting & air conditioning systems at the administrative buildings of the MPA. In this respect, this note points out areas where there are further potentials for GHG emissions reductions from future actions that are being envisaged by the MPA. The overall objective of the initiatives is to increase availability and use of energy from renewable sources and efficiency levels in the consumption of energy in the following areas: -

- (i) Renewable Energy – increase the use of Solar PV in the port by exploiting rooftops and the high solar irradiation;
- (ii) Air Conditioning & Lighting System in Buildings - investment into more energy efficient air conditioning system including a Building Management System;
- (iii) Transportation - shifting to electric vehicles; and
- (iv) Lighting including operational zones – shifting from sodium high pressure bulbs/metal halides to LED.

On another front, the climate change study initiated by the MPA with the technical assistance of the Climate Technology Centre and Network (CTCN) and financed by the Green Climate Fund (GCF) was completed in January, 2021. The study aimed at identifying the threats to Port Louis Harbour and both adaptation and mitigations have been proposed. The study shall form part of the country's Nationally Determined Contribution (NDC) and among the goals to be attained by Mauritius for a climate change resilient port.

The MPA has recently initiated a preliminary study on Port Sustainability with the assistance of the "Association Internationale Villes et Ports". The scoping study aims at identifying port sustainability projects that would benefit Port Louis and the urban community in its vicinity.

6. Ensuring Safer Bunkering Operations

Despite the COVID-19 pandemic, the MPA has initiated several actions to ensure that port operations are carried out in a safe manner with due consideration to the Port Environment. In this context the risks inherent to the bunkering sector was the main subject of discussions and consultations were held between the MPA, the bunker barge operators and the authorities concerned. It was deemed appropriate that the actual response in case of an oil spill needs to be enhanced with the contribution of the oil companies. Subsequently, the bunker operators have come up with a Mutual Procedure to respond to an oil spill whereby they agree to jointly mobilise their resources in

case of any such incident. The MPA has on its side prepared a Bunkering Code of Practice with sets out the safety and operational requirements to be met by each bunker barge operator whenever they are conducting bunker transfer operations at shore or at anchorage.

7. Complaints Handling

The MPA is certified ISO 9001 and ISO 14001 and customer service excellence is at the core of the organisation. In this respect, a well-defined framework has been set in place to effectively monitor customer complaints and accordingly, a Customer Service Charter has been established with a view to complying with the best practices for the benefit of customers, stakeholders and interested parties.

The purpose of this Customer Service Charter is to have a clear line of communication with clients and thus ensuring efficient problem solving, which is critical to business success. Understanding the expectations of customers is the cornerstone of adding value to customer experience and building customer relationships, thus leveraging the opportunity for customer engagement.

Along the same lines, the MPA ensures that any complaints received on account of the organisation through the Citizen Support Portal, are handled and addressed on a timely basis.

8. Communication with Stakeholders

The Authority has set in place a proactive communication channel with its stakeholders. Accordingly, several mechanisms have been established and through which a proper communication flow is being ensured, namely by holding meetings, providing information on the MPA Website, Press Communiques, Media Advisory and others.

One of the main forums regrouping most of the port stakeholders, port users and other key partners is the Port Users Council (PUC). Indeed, the PUC is not only a forum to address port related matters, but is also used to communicate and build up relations with all relevant parties. Besides, other meetings and committees are held regularly with the relevant stakeholders in order to take up and address relevant issues and to apprise stakeholders about any important undertakings, including port performance and outlook. Additionally, consultative meetings and workshops are being organised to get the viewpoints of the different parties, thus allowing a better understanding of the expectations of the relevant stakeholders. The adoption of the above approach helps to ensure a clear understanding of customer expectations, transparency and optimal disclosure.

In addition, an effective mechanism has been instituted to respond to the queries of the media so that real time and accurate information about key happenings is provided for onward dissemination to the public, as and when required. The MPA will continue to maintain a close dialogue with its stakeholders, key partners and authorities concerned in order to foster stronger business relationship, shared understanding & vision, as well as to promote a collaborative framework to successfully transform Port Louis into a logistics hub.



CORPORATE MATTERS

Port Development Projects

1. Cruise Terminal Building

The study under the Port Master Plan 2016 forecasted a steady increase in cruise activities in the Indian Ocean region. Accordingly, with a view to enhancing the handling of the projected increase in cruise passengers, the MPA embarked on a project for the construction of a 7,500 square metre Cruise Terminal Building complete with facilities befitting such a venue, at its Cruise handling facility located at Les Salines.

The works for the construction of the Cruise Terminal building was awarded in August 2019 for the sum of some Rs 770 million. The works were initially scheduled for completion by the end of 2020. However, the COVID-19 pandemic and the successive lockdowns in March 2020 and March 2021 and the associated disruption in construction activities have delayed the works. Work progress has been severely impacted by those unforeseeable events and the commissioning of the project is now expected by mid-2022.

2. Supply and Installation of Four Mooring Buoys at Port Louis harbour

Fishing vessel calls at the Port have been increasing over the years. The quays at the Trou Fanfaron Fishing Port and the private fishing quays in the Lataniers River estuary are normally used for the handling of fish only. However, when the vessels are not unloading fish, they are usually accommodated at other available commercial quays in the port and at the mooring buoys provided at Les Salines.

With a view to increasing the number of available mooring points for fishing vessels, the MPA proceeded with the installation of four mooring buoys in the port waters at a cost of about Rs 11 million. The Contract was awarded on 25 September 2020 and the buoys have been installed

at their designated locations in the port waters. The commissioning was effected in May 2021.

3. Breakwater and Fishing Port at Fort William

As recommended in the Port Masterplan 2016, the MPA embarked on a project to construct a breakwater and the development of a fishing port at Fort-William.

The project mainly comprises the:

1. construction of a breakwater and shore protection;
2. land reclamation over about 10 ha. of land;
3. construction of a 50m long service quay and an adjacent area to service fishing equipment;
4. associated dredging works; and
5. landside facilities.

In this respect, twelve potential bidders were pre-qualified under a pre-qualification exercise launched under the aegis of the Central Procurement Board in mid-2020.

Concurrently, a series of geotechnical investigations, survey works as well as a 3D modelling exercise had been commissioned to validate the designs which were undertaken on the basis of historical data. An Environmental Impact Assessment study was also conducted and completed in February 2021. The MPA has accordingly applied for an EIA License and same is awaited from the Department of Environment.

Meanwhile, the detailed designs and bid documentation are being finalised. It is however noted that, following the outbreak of the COVID-19 pandemic, the consultants have suffered unavoidable delays in both their home office in Italy and Dubai as well as locally in Mauritius due to lock downs. This situation has resulted in restrictions on their normal operations and resource planning, thus leading to unavoidable delays. It is expected that the necessary documentation and clearances would be finalised by September 2021.



4. Preliminary Technical Study & Design of Island Terminal and Breakwater Structure at Port-Louis Harbour

The development of an Island Container Terminal was recommended in the Port Master Plan 2016 as a solution to protect the existing Mauritius Container Terminal against wave and swell actions. This facility would also allow to increase capacity to cater for the container traffic beyond 2040.

In this respect, a techno-economic feasibility study of the Island Container Terminal was commissioned by the MPA. The feasibility study was carried out to provide an overview of the project from a technical, environmental, social, economic and financial point of view.

The recommended Island Terminal Project comprises the following components:

- The construction of a 1600m long breakwater to create a tranquil basin in front of the MCT.
- Dredging of the navigation channel to 18m along a revised alignment.
- Land reclamation of some 55ha on the lee side of the breakwater and on the reef using the dredged material.
- Construction of a link bridge from the northern end of the MCT to the Island Terminal.
- Quay construction over a length of 1245m.
- Container stacking yard of an area of about 50ha (capacity of up to 1.8 million TEUs).

The study has confirmed that the Island Terminal is technically feasible and would decrease the downtime at the MCT as well as providing increased container terminal capacity at Port Louis.

Further to an Information Memorandum to Investors which was issued to tap the interests of potential developers, the market response revealed the solid interest from several respondents willing to partner in the project. However, in view of the massive investment to the tune of some USD 835 million required, the proposed development is foreseen under a PPP arrangement.

In this respect, it has been proposed to procure the services of a Transaction Advisor to undertake the financial engineering and narrow down the institutional model options. Concurrently, the African Development Bank is assisting to secure a grant from the Green Climate Fund to finance the construction of the breakwater structure.

5. Investing in Tug Power

Taking into account that the vessels calling at Port Louis Harbour are now definitely bigger in size and displacement, there is a need to ensure that tugs with higher bollard pull capacity are provided so as to ensure safe maneuvering. Furthermore, over the years, the Port has been witnessing a considerable increase in maritime traffic which further supports the need for additional tugs so as to meet these new requirements. Therefore, the MPA intends to procure additional big and small tugs.

Furthermore, the MPA will be proceeding with the

purchase of a First Response Tug to be used as harbour tug and also designed to attend to any emergency pending the mobilisation of an appropriate salvage tug in case of an incident/oil spill.

6. Integrated CCTV and Access Control System

In 2007, the MPA had commissioned a port-wide CCTV system aimed at covering the entire port area. A combination of PTZ and fixed cameras were installed, which were intended to be viewed through a central control room manned by the MPA and the Mauritius Police Force. An internal CCTV system covering all MPA buildings coupled with an access Control system were also commissioned under the same project.

Although the systems are still in operation, their product life cycles have reached a stage of replacement given the availability of more innovative and efficient systems on the market. In order to keep pace with the technological developments in this area, the MPA intends to implement a modern CCTV system integrated with a centralised access control system with a view to further strengthen security in the port area.

The new CCTV system will comprise intelligent HD cameras, which are capable of analysing live CCTV footages through advanced analytics and generating alarms accordingly, thus reducing the need for a CCTV operator to be continuously watching the monitor wall. The new system, consisting of around 300 HD intelligent cameras of various types will be deployed to cover the whole port area.

A centralised access control system comprising a number of electronic raise arm barriers and turnstiles will also be installed to monitor access to security areas, including MPA buildings.

7. Vessel Traffic System (VTS)

The current VTS which was commissioned in 2008, needed to be replaced. Accordingly, the MPA hired the services of a Consultant in order to prepare specifications for a modern and state-of-the-art VTS system. The system consists of 2 radars and an Automatic Identification System. Following a tendering exercise, the contract for the Supply, Installation and commissioning of the new Port Louis Vessel Traffic system was accordingly awarded on 20 November 2019. The works were initially expected to be completed on 21 September 2020. However, due to the COVID-19 pandemic, the works were considerably delayed, as the completion date had to be extended.

The installation of the system was substantially completed in March 2021 and is in operation. The commissioning of the system is scheduled for the end of October 2021.

8. Maritime Single Window

Over the years, the Port has undergone extensive modernization programmes. The procedures and legislations in place for vessel clearances have practically remained unchanged. The current clearance procedures are quite cumbersome and Masters/shipping agents are required to submit some 57 documents to 8 agencies/authorities per port call.

Accordingly, with a view to streamlining the documentation pertaining to vessel clearance and to transform Port Louis into a Smart Port based on the recommendations of the International Maritime Organisation, the MPA intends to implement a Maritime Single Window to cover the entire life cycle for vessels calling at Port Louis. It is believed that the resulting system will provide the following:

- simplified electronic means for the clearance of ships calling to Port Louis;
- standardization of logistics activities, interface and information;
- improved maritime logistics efficiency; and
- strengthened maritime logistics competitiveness.

9. Information Security

With the idea of reinforcing Information Security at the workplace, the MPA intends to implement new measures with a view to securing the Authority's data against internal and external threats.

The main objectives of this project are to protect Confidentiality, Integrity and Availability (CIA) of information, better secure and control information from inside and outside threats, improve the current information security level, increase the responsibility and accountability of MPA staff through the different administrative security controls, policies, and processes; and create an information security awareness.

Accordingly, a bidding exercise was launched in order to select a Consultant for the improvement of Information Security and Implementation of an Information Security Governance Framework. Following an evaluation exercise, the contract was awarded on 11 June 2021 and the consultancy service is expected to start in July 2021.

The above initiative will enable the MPA to strengthen security of information and allow the Authority in obtaining the internationally recognized information security standard, namely the ISO 27001.

Being ISO 27001 certified, the Authority will be offering a higher level of assurance to its clients and other stakeholders that security of information is at the heart of the organisation. Moreover, this will also ensure compliance with business, legal, contractual and regulatory requirements.

10. Document Management System

Presently, the MPA operates two registries (i) A Confidential Registry used for confidential correspondences with limited and controlled circulation; and (ii) an Open Registry for normal correspondences. Daily, some 100 correspondences are received either by post, email or fax.

The current practice is too paper-centric, and in line with our Green Port Initiative, the MPA intends to implement an electronic Document Management System (e-DMS) which will allow users to store all documents in an electronic format whilst offering all the functionalities of any registry.

Accordingly, the MPA intends to hire the services of a suitable Consulting firm to prepare the specifications for an e-DMS and supervise its implementation. The project is expected to be completed within 9 months inclusive of bidding periods.

The Consultants would be responsible for preparing the specifications for the e-DMS.





OPERATIONS REPORT

Port Trade Performance

I. KEY FIGURES AT A GLANCE

Total Trade Volume	7.7 Million tonnes	(+0.5%)
• Containerised Cargo	3.9 Million tonnes	(+7.0%)
• Dry Bulk Cargo	1.9 Million tonnes	(+15.1%)
• Liquid Bulk Cargo	1.9 Million tonnes	(-17.2%)
• Fish Traffic	98,961 tonnes	(-29.1%)
Total Container Traffic	463,044 TEUs	(+7.8%)
• Captive Container	229,772 TEUs	(-10.1%)
• Transshipment Container Inwards	233,272 TEUs	(+34.0%)
• Transshipment Container Outwards	227,353 TEUs	(+29.8%)
Total Container Throughput (incl. paid restows)	697,345 TEUs	(+13.9%)
Total Vessel Traffic	2,628 calls	(-21.0%)
• Containerised Vessels	494 calls	(+1.4%)
• Fishing Vessels	752 calls	(-24.1%)
Cruise Traffic	Cruise activities suspended due to COVID-19 pandemic	
Total Bunker Traffic	614,113 tonnes	(-11.3%)
• Pipeline	66,276 tonnes	(-31.6%)
• Barges	547,837 tonnes	(-8.0%)



2. INTRODUCTION

According to the IMF World Economic Outlook of July 2021, after an estimated contraction of 3.3 % in 2020, the global economy is projected to grow by 6% in 2021. However, it has been reported that although growth could turn out to be stronger than projected, downside risks namely the emergence of new variants of the COVID-19 virus and further vaccination delays would dominate in the coming days.

In spite of the new lockdown in March 2021, soaring freight rates and the socio-economic impacts of the COVID-19 pandemic, the port trade performance has displayed remarkable resilience.

3. TOTAL CARGO TRAFFIC

Total Cargo tonnage handled at the port inched up by 0.5%, equivalent to 35,722 tonnes, to reach 7,768,045 tonnes in FY 20/21 as compared to 7,732,323 tonnes in FY 19/20, as summarised in Table 1.

Table 1: Total Cargo Traffic – FY 19/20 v/s FY20/21 (tonnes)

	FY 19/20	FY 20/21	Difference	% Change
Total Imports	4,834,153	4,633,342	-200,811	-4.2
Total Exports	1,384,659	1,276,300	-108,357	-7.8
Total Containerised Transshipment Inwards	1,513,513	1,858,403	344,890	23.0
Total	7,732,325	7,768,045	35,722	0.5

4. TOTAL IMPORTS

Total Imports declined by 4.2%, with 4,633,342 tonnes in FY 20/21 as compared to 4,834,153 tonnes in FY 19/20. Table 2 illustrates the breakdown of Total Imports.

Table 2: Breakdown of Total Imports FY 19/20 v/s FY 20/21 (tonnes)

Imports	FY 19/20	FY 20/21	Difference	% Change
Dry Bulk	1,626,195	1,870,691	244,496	15.0
Liquid Bulk	1,584,317	1,285,431	-298,886	-18.9
Containerised	1,444,791	1,353,927	-90,864	-6.3
Fish	135,351	97,094	-38,257	-28.3
General cargo	43,499	26,199	-17,300	-39.8
Total	4,834,153	4,633,342	-200,811	-4.2

4.1 DRY BULK IMPORTS

Dry bulk imports have witnessed an expansion of 15.0 %, equivalent to 244,496 tonnes, from 1,626,195 tonnes in FY19/20 to 1,870,691 tonnes in FY20/21 as detailed below:

- Coal imports presented an increase of 8.2%, with 684,993 tonnes in FY 20/21 as compared to 632,942 tonnes in FY 19/20, reflecting an increase in the demand for electricity with the gradual recovery of economic activities after the lockdown in March 2020.
- Bulk Cement imports expanded by 18.6% to reach 770,572 tonnes in FY 20/21 as compared to 649,732 tonnes in FY 19/20. Notwithstanding the new lockdown in March 2021, this traffic was mainly bolstered by the ongoing public projects such as Metro Express, decongestion programme, construction of Cruise terminal building and so on. It is to be noted that the construction sector is expected to grow by 25.2% in 2021, according to the National Accounts Estimates of June 2021.
- For the year under review, imports of wheat noted a slight decrease of 0.5%, with 124,953 tonnes in FY 20/21 as compared to 125,636 tonnes in FY 19/20, reflecting the inelastic demand for basic food items, that is almost non responsive to changes in price and income.
- Bulk sugar import stood around 110,250 for the FY 20/21 compared to 42,000 tonnes in FY 19/20. This traffic is driven by the production mix which favours the production of a larger quantity of special sugar from the raw sugar produced locally. There was a drop of around 18.3% in sugar production, according to National Accounts Estimates of June 2021. Thus, less raw sugar was available for the local refineries as reported by the Mauritius Sugar Syndicate and same had to be imported in bulk.
- Maize and soya bean meal imports are mainly used in the production of animal feed. For the year under review, maize and soya bean meal imports have registered an expansion of 2.5% and 1.8%, respectively, reflecting the inelastic demand for food items, that is almost non-responsive to changes in price and income.

4.2 LIQUID BULK IMPORTS

Total imports of liquid bulk decreased by 18.9%, representing 298,886 tonnes, i.e. from 1,584,317 tonnes in FY 19/20 to 1,285,431 tonnes in FY 20/21 as described below:

- Imports of White oil noted a drop of 31.6% from 687,147 tonnes in FY 19/20 to 469,746 tonnes in FY 20/21. This decline is mainly attributed to the drastic fall in the demand for JET A1 following the closure of our borders since March 2020.
- Imports of Black oil declined from 771,411 tonnes in FY19/20 to 727,066 tonnes in FY 20/21, representing a decrease of 5.7%. This fall could be attributed mainly to the contraction in the demand for marine fuel oil as bunkers.
- Imports of LPG contracted by 31.8% from 100,811 tonnes in FY 19/20 to 68,775 tonnes in FY 20/21 reflecting the impact of the COVID-19 on the hospitality industry. Imports for the domestic market hovers around 78,000 tonnes annually.
- For the year under review, imports of Edible Oil contracted by 38.6 % from 19,500 tonnes to 11,980 tonnes. This decline is mainly attributed to the drastic fall in the hospitality sector which is estimated to have gone down by around 65.8% in 2020, according to the National Accounts Estimates of June 2021.
- Bitumen imports has noted an expansion of 44.3% for the financial year under review, reflecting the ongoing road decongestion works.

5. TOTAL EXPORTS

Total exports contracted by 7.8% and stood at 1,276,300 tonnes in FY 20/21 as compared to 1,384,657 tonnes in FY 19/20.

Table 3: Breakdown of Total Bulk Exports - FY 19/20 v/s FY 20/21 (tonnes)

Exports	FY19/20	FY20/21	Difference	% Change
Dry Bulk (Soya Bean Meal)	0	1,000	1,000	-
Liquid Bulk	718,039	621,054	-96,985	-13.5
Containerised	647,277	645,278	-1,999	-0.3
General cargo	15,085	7,101	-7,984	-52.9
Fish	4,258	1,867	-2,391	-56.1
Total	1,384,659	1,276,300	-108,359	-7.8

5.1 LIQUID BULK EXPORTS

Exports of Liquid Bulk cargo registered a negative growth of 13.5% from 718,039 tonnes in FY 19/20 to 621,054 tonnes in FY 20/21, equivalent to 96,985 tonnes as summarized below:

- Exports of LPG phased out in FY 20/21 following the leasing of the Petredec LPG storage facility to the STC.
- Export of Ethanol soared from 2,408 tonnes in FY 19/20 to 6,941 tonnes in FY 20/21, registering an expansion of 188.3%, reflecting high demand for ethanol on the international markets for the production of hand sanitizer.
- Total bunker exports, which account for the most of bulk of total bulk liquid exports, witnessed a contraction of 11.3%, equivalent to a decrease of some 78,390 tonnes. The breakdown hereunder reveals that both segments namely pipeline and barge were affected.

5.1.1 Bunkering Activities

Total volume of bunker decreased by 11.3% from 692,503 tonnes in FY 19/20 to reach 614,113 tonnes in FY 20/21 as outlined in Table 4.

Table 4: Total Bunker Exports – FY 19/20 v/s FY 20/21

	Volume in Tonnes				Vessel Calls			
	FY 19/20	FY 20/21	Difference	% Change	FY 19/20	FY 20/21	Difference	% Change
Bunker by pipeline	96,970	66,276	-30,694	-31.6	1,197	935	-262	-21.9
Bunker by barge	595,533	547,837	-47,696	-8.0	1,162	1,037	-125	-10.8
Total	692,503	614,113	-78,390	-11.3	2,359	1,972	-387	-16.4

- Table 4 shows that volume of bunker by pipeline has noted a fall of 31.6% and stood at 66,276 tonnes in FY 20/21 against 96,970 tonnes in FY 19/20 as lesser vessels were accommodated at quay, namely fishing vessels.
- Similarly, the exports of Bunker by barge which accounts for the bulk of total bunkers has fallen from 595,533 tonnes in FY 19/20 to 547,837 tonnes in FY 20/21, representing a negative growth of 8.0%. This reduction could be attributed to the decline in the number of vessels calling at outer harbour, limited ancillary services owing to closure of the borders and sanitary measures, limited availability of products with low sulphur contents and the restriction on night bunkering after 2100 hrs from the end of September 2020 till early April 2021.

6. FISH TRAFFIC

Total Fish Traffic (imports, transshipment and exports) declined by 29.1% from 139,605 tonnes in FY 19/20 to 98,961 tonnes in FY 20/21 as follows:

- Imports of Tuna as raw materials by Princess Tuna and Thon des Mascareignes decreased by 28.5% from 77,453 tonnes in FY 19/20 to 55,410 tonnes in FY 20/21. At the same time, the number of fish carriers has been reduced by 37.5%, reflecting pandemic induced challenges facing the industry, namely: 1) strict health protocol causing longer stay at port; 2) compulsory and costly PCR tests for crew members; 3) Factory closure due to lockdown and lower processing capacity due to workers in quarantine; and 4) Import of tuna by reefer containers instead of reefer carriers.
- Similarly, fish catch in our oceanic banks, mainly meant for the local market, has gone down by 32.3% from 2,661 tonnes in FY 19/20 to 1,801 tonnes in FY 20/21, notwithstanding an increase in the number of fishing vessel calls thereat during the financial year under review.

- Fish transshipment activity has decreased by 25.4%, with 50,979 tonnes in FY 19/20 against 38,016 tonnes recorded in FY 20/21, owing to a decline of around 47% in the fishing vessel calls for transshipment purpose. The sanitary measures and closure of the borders resulted in difficulties in effecting crew change activities. There was a significant increase in license fees for foreign fishing vessels by the Ministry of Blue Economy, Marine Resources, Fisheries and Shipping. Soaring freight rate compelled owners to use their carriers for the supply of provisions, baits and fishing equipment and simultaneously, undertaking direct transshipment on high seas which are allowed according to IOTC regulations. Thus, the above factors explain the fall in fishing vessel calls during the financial year 20/21.
- In the same vein, direct ship to ship transshipment inwards and outwards have gone down from 4,258 tonnes in FY 19/20 to 1,867 tonnes recorded during the current financial year, representing a drop of 56.1%.

7. TOTAL CONTAINER TRAFFIC

Total Container Traffic (excluding paid restows) witnessed a growth of 7.8%, equivalent to 33,519 TEUs from 429,525 TEUs in FY 19/20 to 463,044 TEUs in FY 20/21 as summarised in Table 5.

Table 5: Total Container Traffic – FY 19/20 v/s FY 20/21 (TEUs)

	FY 19/20	FY 20/21	Difference	% Change
Captive	255,468	229,772	-25,696	-10.1
Transshipment	174,057	233,272	59,215	34.0
Total	429,525	463,044	33,519	7.8

7.1 TOTAL CAPTIVE CONTAINER TRAFFIC

The reduction of 10.1% in the captive container traffic is equivalent to 25,696 TEUs, from 255,468 TEUs in FY 19/20 to 229,772 TEUs in FY 20/21.

7.1.1 Captive Laden Import Container Traffic

Laden import container traffic witnessed a decline of 6.3% equivalent to 7,269 TEUs with a total of 108,314 TEUs in FY 20/21 as compared to 115,583 TEUs in FY 19/20.

A significant decline in laden imports is mainly attributed to the disruption in container logistics, namely blank sailings, shortage of empty containers and soaring freight rate as well as the socio-economic impacts of COVID-19 on expenditure side. According to National Accounts Estimates of June 2021 issue, real final consumption, real investment, exports and imports of goods noted declines of 18.7%, 26.2%, 23.1% and 25.5% respectively in 2020, as well as rising commodity prices, unemployment, etc.

7.1.2 Captive Laden Export Container Traffic

Captive laden export container traffic remained almost at par with 51,782 TEUs in FY 19/20 and 51,624 TEUs in FY 20/21.

It is worth noting that this segment was affected during the 3rd quarter of 2020 owing to our main trading partners, namely the EU which was grappling with the second wave of the COVID-19 pandemic. The recovery during the 2nd quarter of 2021 is explained by strong external demand following the rapid roll out of the vaccine in our key markets. According to National Accounts Estimates of June 2021 issue, exports of goods would grow by 3.5% in 2021.

7.1.3 Captive Empty Import Container Traffic

Import of empty container traffic decreased from 12,712 TEUs in FY 19/20 to 8,772 TEUs in FY 20/21, representing a negative growth of 31.0% for the year under review, driven by the global shortage of empty containers being experienced by the container shipping industry worldwide.

7.1.4 Captive Empty Export Container Traffic

Captive empty export container traffic declined to the tune of 19.0% with 61,062 TEUs in FY 20/21 as compared to 75,391 TEUs in FY 19/20.

7.2 TOTAL TRANSHIPMENT INWARDS CONTAINER TRAFFIC

With the global trade and economic recovery, this traffic has maintained its buoyancy after the great lockdown as the Maersk Protea Service resumed its call at Port Louis as from November 2020. Thereafter, the MSC Europe to Australia service was reinstated at Port Louis as from December 2020. Both these services were suspended in FY 19/20.

It is worth noting that the Liner Shipping Connectivity Index of Mauritius has doubled from 14.1 in 2006 to 28.0 in 2019 owing to buoyant transshipment hub activities, according to the Review of Maritime Transport 2020. Empirical analysis shows that each additional per cent increase in the liner shipping connectivity index is associated with a 1.9 per cent increase in port traffic, showing that as more services are provided, port traffic grows exponentially.

7.2.1 Transshipment Inwards Laden Container Traffic (TEUs)

This traffic registered a positive growth of 22.8%, equivalent to 28,017 TEUs during the financial year under review.

7.2.2 Transshipment Inwards Empty Container Traffic (TEUs)

For the financial year under review, empty transshipment container soared from 51,107 TEUs in FY 19/20 to 82,305 TEUs in FY 20/21, representing an exponential growth of 61.0%, equivalent to 31,198 TEUs.

The sudden repositioning of empty container traffic at Port Louis is due to a shortage of empty containers in exporting countries, in particular China. Most of the world containers are stuck in the West following the lockdowns and delays resulting from the COVID-19 pandemic as well as trade imbalance between Far East, EU and US.

7.3 TOTAL CONTAINER THROUGHPUT FOR THE PORT

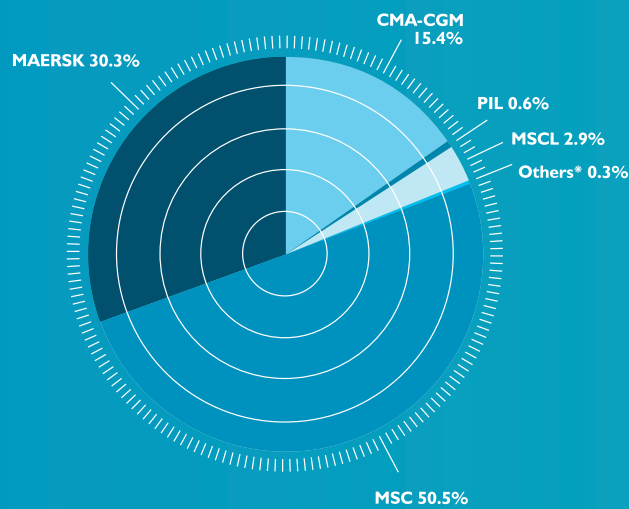
Total Container Throughput, comprising Total Container Traffic + Total Transshipment Container Outwards + paid restows for the period FY 20/21 stood at 697,345 TEUs versus 612,024 TEUs in FY 19/20, representing a growth of 13.9%, equivalent to 85,321 TEUs as shown in Table 6.

Table 6: Total Container Throughput – FY 19/20 v/s FY 20/21 (TEUs)

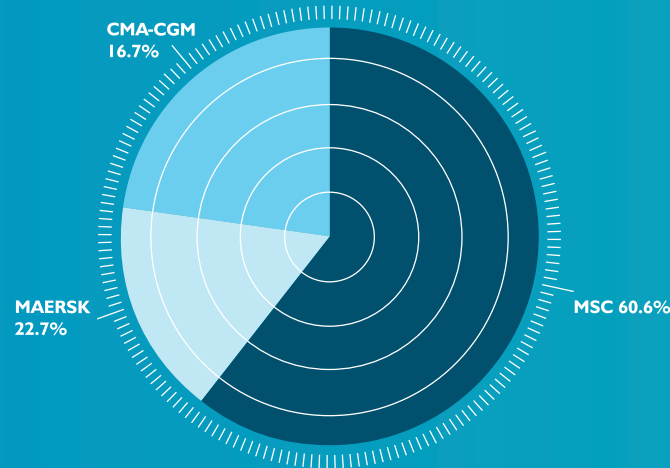
	FY19/20	FY20/21	Difference	% Change
Captive	255,468	229,772	-25,696	-10
Transshipment Inwards	174,057	233,272	59,215	34
Transshipment Outwards	175,121	227,353	52,232	29.8
Paid restows	7,378	6,948	-430	-5.8
Total	612,024	697,345	85,321	13.9

7.4 CONTAINER TRAFFIC BY SHIPPING LINES

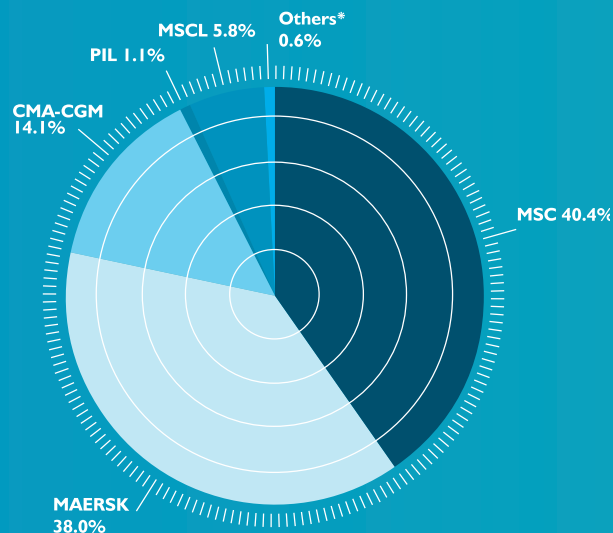
TOTAL CONTAINER TRAFFIC
(CAPTIVE + TRANSHIPMENT) by Shipping Lines FY 20/21



TOTAL TRANSHIPMENT CONTAINER TRAFFIC
(IMPORT + EXPORT) by Shipping Lines FY 20/21



TOTAL CAPTIVE CONTAINER TRAFFIC
(EMPTY + LADEN) by Shipping Lines FY 20/21



8. VESSEL CALLS

Some 2,628 vessel calls were registered during FY 20/21 as compared to 3,326 calls in FY 19/20, i.e. a shortfall of 698 calls. Table 8 provides a summary of Total Vessel Traffic for the financial year under review.

Table 8: Vessel calls for the year - FY 19/20 v/s FY 20/21

CATEGORY	FY 19/20	FY 20/21	Difference	% Change
Containerized Vessels	487	494	7	1.4
Livestock Carrier	22	20	-2	-9.1
Pure Car Carriers	26	29	3	11.5
Unitized & Break Bulk Carriers	1	1	0	0.0
General Cargo Vessels	6	2	-4	-68.0
Inter-Island	50	52	2	4.0
Dry Bulk carriers	46	53	7	15.2
Tankers	106	85	-21	-20.4
Fishing Vessels	991	752	-239	-24.1
Cruise Vessels	34	0	-34	-100.0
Others	1,557	1,140	-417	-26.7
Total	3,326	2,628	-698	-21.0

8.1 INTER-ISLAND TRADE

Vessels plying between the dependencies of Mauritius (Rodrigues and Agalega) made 52 calls and handled some 13,659 TEUs in FY20/21 as depicted in the Table 9.

Table 9: Intra trade traffic of Mauritius – FY 19/20 v/s FY 20/21

	FY 19/20	FY 20/21
Total No. of Voyages	50	52
Breakdown of the total no. of voyages		
Black Rhino	33	35
Mauritius Trochetia	17	15
Norderney	-	1
Zehrah I	-	1
Total No. of Containers	11,980	13,659
Breakdown of the total no. of containers		
Black Rhino	10,720	12,045
Mauritius Trochetia	1,260	1,302
Norderney	-	285
Zehrah I	-	27

8.2 CRUISE TOURISM

During the FY 20/21, there was no cruise vessels calls recorded as cruise ships had to suspend their calls at Port Louis as from 13 March 2020, following the outbreak of the COVID-19 pandemic.

8.3 CALLS AT OUTER HARBOUR

The number of vessel calling Outer Harbour for activities such as bunkering purposes, crew change, repairs and inspection of cargo or vessel hull conditions, embarking/disembarking of armed (security) guards, provision of fresh water supply and ship chandling, amongst others, registered a decrease from 1,557 vessel calls for FY 19/20 to 1,140 calls during the current financial year, as depicted in Table 10.

Table 10: Total Calls Outer Harbour - FY 19/20 v/s FY 20/21

	FY 19/20	FY 20/21	Difference	% Change
Bunkering Only	944	776	-168	-17.8
Change Crew/ Sick Crew	269	37	-232	-86.2
Change of Security Guard	28	0	-28	-100.0
Ship Stores	149	90	-59	-39.6
Repairs or Inspection	82	120	38	46.3
Others	85	117	32	37.6
Total	1,557	1,140	-417	-26.8

A negative growth to the tune of 26.8% has been noted for the financial year under review as pandemic induced contractions were registered in the following segments, namely bunkering only (-17.8%), ship stores (-39.6%), change of crew (-86.2%) and change of security guard (-100.0%). These reductions have more than offset the expansions recorded in repairs or inspection (46.3%) and others (37.6%).

9. DOWNTIME AT THE PORT

During the year under review, handling operations were disrupted at the port for about 24.3 days as compared to 39.1 days in FY 19/20 owing to adverse weather conditions.



FINANCIAL REPORT

BACKGROUND

The MPA has once again achieved positive results despite the fact that the Financial Year 2020/21 has been marked by the negative impact of the COVID-19 pandemic and the domestic economy experienced its second lockdown in March 2021. The closure of the national borders and the disruptions in the international traffic have had an adverse impact on the hospitality as well as other key business sectors of the economy. These have duly affected port traffic and consequently MPA's financial performance.

The MPA has realised a Net Surplus before exceptional items for FY 2020/21 of Rs 324.5 million as compared to Rs 514.7 million for the previous financial year 2019/20, notwithstanding the adverse economic climate that prevailed both at local and international levels. During FY 2020/21, countries were wondering what recovery would look like. As regards the local economy, several measures have been put in place by the Government, namely the 'Plan De Soutien' to support the manufacturing and export sector.

The MPA, on its side, participated in the 'Plan De Soutien' to address the adverse effect of the pandemic on the Mauritian Economy. As a contribution to the plan, the MPA waived its quay fees on export laden containers outside Mauritius till December 2020. The fee on this category of container was applied at the rate of 50% for the remaining 6 months of the Financial Year. However, the Government Budget for FY 2020/21 made provision for an increase in quay fees on laden import containers by 10% from 01 January 2021 to 30 June 2021, thus allowing the MPA to recover partly the revenue foregone on the export laden containers. These measures affected the financial results of the MPA over the Financial Year.

It is also worth mentioning that following the promulgation of the COVID-19 (Miscellaneous Provisions) Act 2020 and Section 93 (b) of the Budget Speech for FY 2020/21, the MPA has agreed to waive or defer lease payments, where applicable, thus impacting on its cash flow.

REVIEW OF FINANCIAL PERFORMANCE

The major financial performance indicators for the FY 2020/21 together with the comparative figures for the FY 2019/20 are shown hereunder: -

	FY 2020/21 Rs Million	FY 2019/20 Rs Million	% Change
Operating Revenue	1,367.1	1,488.7	(8.1%)
Other Revenue	287.9	281.4	2.3%
Total Revenue	1,655.0	1,770.1	(6.5%)
Operating Expenses	(1,437.5)	(1,384.7)	(3.8%)
Operating Surplus	217.5	385.4	(43.6%)
	FY 2020/21 Rs Million	FY 2019/20 Rs Million	% Change
Foreign Exchange Gain	107.0	129.3	(17.2%)
Net Surplus before Exceptional Item	324.5	514.7	(37.0%)
Exceptional Item	(23.0)	-	
Net Surplus before Revaluation Loss	301.5	514.7	
Revaluation loss on fair value of PPE	(67.6)	-	
Net Surplus for the FY	233.9	514.7	(54.6%)

A review of the salient financial performance figures for FY 2020/21 has been made in the ensuing sections.

Operating Revenue FY 2020/21

Revenue from vessels

In FY 2020/21, the MPA realised total revenue from vessel dues to the order of Rs. 567.5 million representing a shortfall of 16.0% over the preceding FY 2019/20 figure of Rs. 675.7 million. The drop in Operating Revenue has been mainly due to a decrease in the total number of vessel calls at Port Louis in FY 2020/21.

There have been 2,628 calls registered for FY 2020/21 compared to 3,326 calls for the previous financial year 2019/20 (i.e., a decrease of some 21%). A noticeable decrease was experienced in the number of vessels calls for fishing vessels, vessels calling for bunkering and also those operating at outer anchorage for operations. No cruise vessel called at Port Louis due to the closure of the national borders with a view to contain the COVID-19 pandemic. This is quite understandable given the mishap faced by the cruise industry following the contamination of several cruise vessels.

Revenue from Cargo Traffic

For FY 2020/21, the MPA realised revenue from Traffic Dues to the order of Rs. 206.1 million, representing a decrease of 4.2% over the previous FY 2019/20 figure of Rs. 215.2 million. With the impact of the COVID-19 pandemic and slowing down of the economy, there had been a contraction on the local GDP and also trade levels due to low demand for consumer goods.

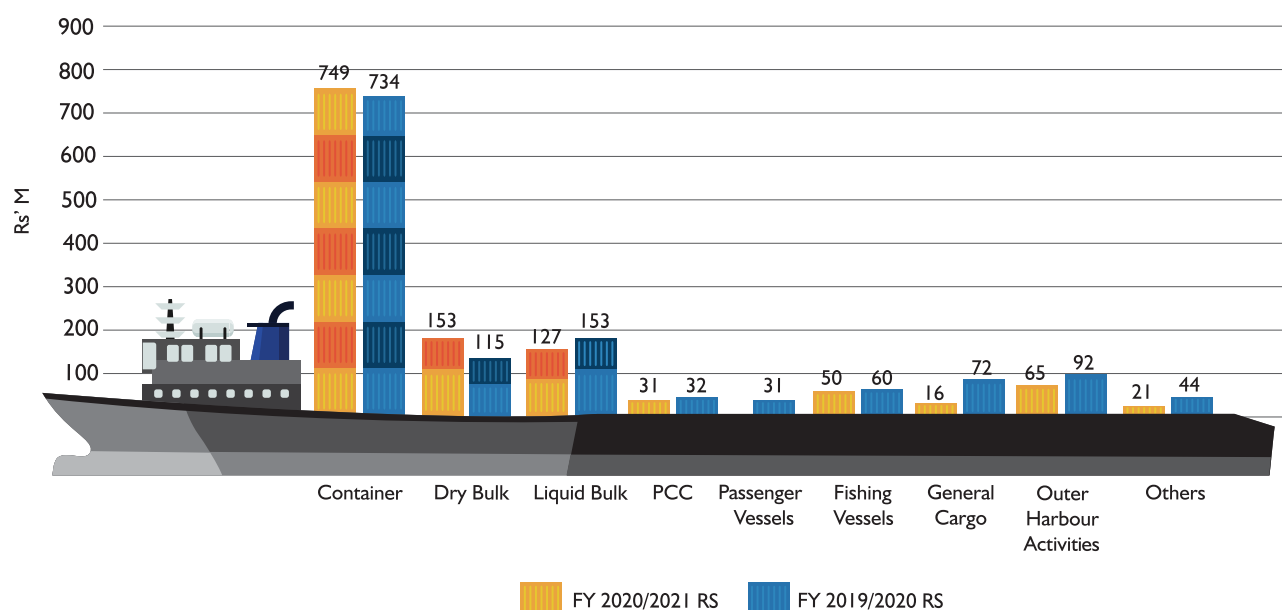
Revenue from Container Dues

The MPA has derived a total of Rs. 437.7 million as Container Dues in FY 2020/21 compared to Rs. 442.1 million in FY 2019/20, representing a shortfall of 1%. As mentioned earlier, the MPA waived quay fees on laden export containers over the period 1 July 2020 to 31 December 2020 whilst for the six months' period ending 30 June 2021, the quay fees were applied at the rate of 50% with a view to support the local manufacturing and export segment. These discounts on quay fees for export laden containers represented a revenue foregone to the tune of Rs. 83.7 million FY 2020/21.

The 10% increase in quay fees for laden import containers under the Government Budget 2020/21 during the period 1 January 2021 to 30 June 2021, brought an additional revenue of only Rs. 7.1 million.

The chart below shows the composition of total operating revenue (excluding concession fees) generated from the handling of different categories of vessels operating in the port for the FY 2020/21 with comparison figures for FY 2019/20.

REVENUE BY CATEGORY OF VESSELS



Other Revenue

For FY 2020/21, the MPA realised Other Revenue to the tune of Rs. 287.9 million which was 2.3% higher than the previous FY 2019/20 figure of Rs 281.4 million. The different components of the other revenue streams are shown below:-

	FY 2020/21	FY 2019/20	% Change (A over B)
	A	B	
	Rs. Million	Rs. Million	
Investment Income	20.8	39.2	(46.9)%
Finance Income	55.7	81.4	(31.6)%
Rental Income	186.3	152.1	22.5%
Other Income	25.1	8.7	188.5%
Total Non-Operating Income	287.9	281.4	2.3%

The higher income stream from this source is explained mainly by the fact the MPA has received rental income to the order of Rs 186.3 million in FY 2020/21, which is 22.4% higher than the preceding Financial Year's figure. The increase in rental income is due to the fact that the rentals of several leases have been adjusted upwards in line with the terms of their lease agreements. Furthermore, some leases that expired have been renewed and invoiced at revised rates.

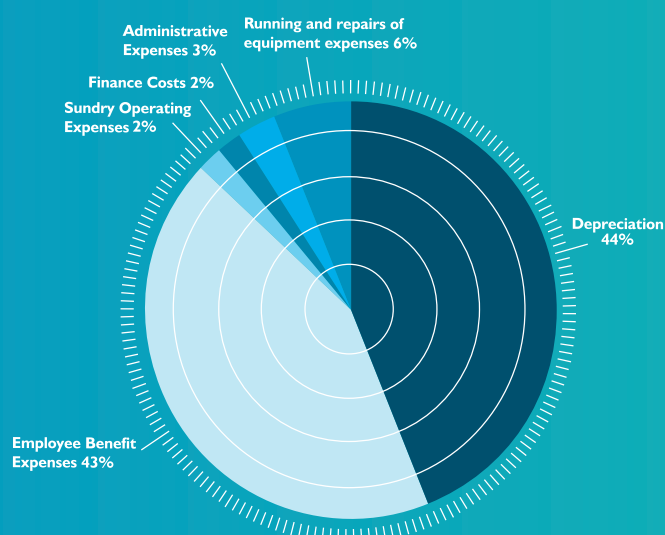
In FY 2020/21, an amount of Rs. 13.7 million has been accounted under Other Income representing refund from Accountant-General for claims submitted by MPA following the mobilisation of the Authority's resources to combat the oil spill caused by the MV Wakashio at Pointe D'Esny. The MPA has earmarked this refund for the purchase of new oil pollution combat equipment to be in a position to face any emergency situation.

Operating Expenses

For FY 2020/21, the MPA has reported total Operating Expenses of Rs 1,437.5 million compared to Rs. 1,384.7 million for FY 2019/20, representing an increase of 3.8%. This increase is attributable mainly to expenses linked with the major overhauling works on MPA tugs and an increase in the fuel cost. The major overhauling of the tugs is deemed to be necessary to ensure that MPA floating craft remains always in good running conditions.

In addition, there has been a rise in sundry operating expenses as a result of the purchase of sanitary products with a view to contain the spread of the COVID-19 at the MPA premises.

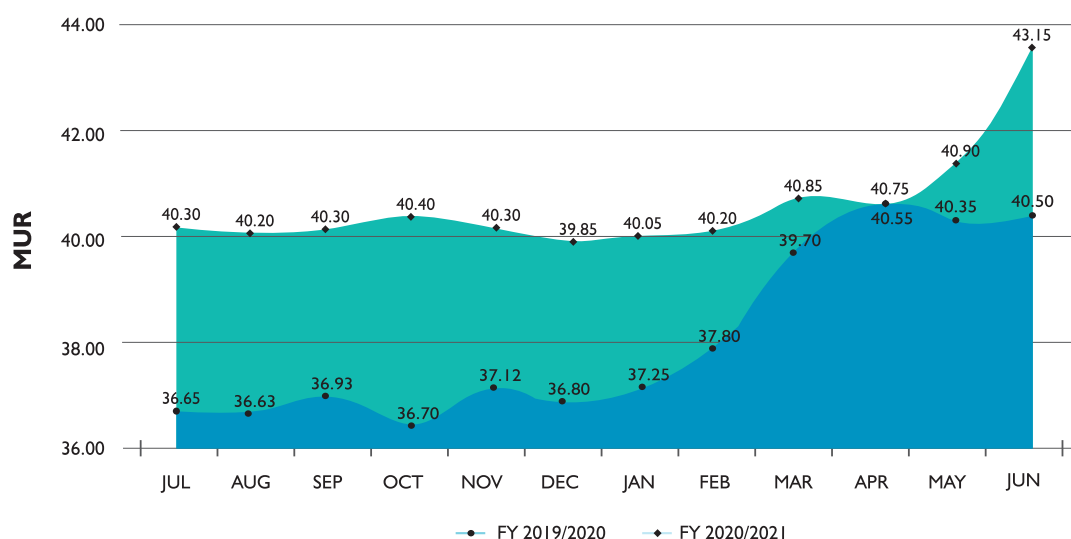
OPERATING EXPENSES



Foreign Exchange Gain

For FY 2020/21, a net foreign exchange gain of Rs. 107.1 million has been recognised in the Income Statement. The trend of USD/MUR exchange rate for FY 2020/21 together with the comparative figures of FY 2019/20 is shown hereunder. Based on the trend analysis, it can be observed that the USD has been trading at an average exchange rate which was above the MUR 40/USD in FY 2020/21, i.e., higher than that of the previous FY.

USD - MUR EXCHANGE RATE



The appreciation of the USD exchange rate in FY 2020/21 has also contributed in reducing the financial impact of the decreasing vessel and cargo traffic on Operating Revenue.

Exceptional Item

The MPA has faced a regrettable tragedy in the Financial Year. On 31 August 2020, former MPA tug Sir Gaetan had an accident while towing barge L'Ami Constant from Pointe D'Esny to Port Louis Harbour. Following the accident, the tug sunk in deep waters off the coast of Poudre D'Or. The net book value of the tug as at date of its accident was Rs. 23 million and has been written off in FY 2020/21. The matter was disclosed as a contingent liability in the financial statements for FY 2019/20 and has been duly accounted for in this Financial Year.

Loss of Revaluation of Property, Plant and Equipment

The MPA carried out a revaluation exercise on its tangible fixed assets and investment properties in year 2020. The revalued amount of the assets has been recognised in the financial statements with effect from 01 July 2020.

Following the revaluation exercise, a total loss on revaluation of Property, Plant and Equipment (PPE) amounting to Rs. 467.4 million has been recognised in the financial statements as at 30 June 2021.

In line with the accounting standard IPSAS 17 – Property, Plant and Equipment, an impairment loss of Rs. 67.6 million on assets which were capitalised after year 2014 has been recognised in the Income Statement, whilst the remaining balance was charged against existing gains on the Revaluation Reserve account following the previous revaluation exercise carried out in year 2014.

Net Surplus for FY 2020/21

After accounting for the Exceptional Item and the Loss on Revaluation of Fair Value of Property Plant Equipment, the Net Surplus for FY 2020/21 has been computed at Rs. 233.9 million compared to Rs. 514.7 million for FY 2019/20.

Financial Position

The Authority had a comfortable financial position with a strong net asset base (Total Assets less Total Liabilities) of Rs. 24.9 billion as at 30 June 2021 and the total asset value of the Authority was to the tune Rs. 27.4 billion as at that date, after taking into consideration the revaluation exercise.

The main financial indicators, namely the gearing and current ratios, show a strong financial position of the MPA. The gearing ratio which was at 3.5% as at 30 June 2020 has decreased to 2.9% as at 30 June 2021, as a result of the repayment

of the AFD loan. The loan balance would be fully repaid by the end of year 2024.

Similarly, the current ratio (i.e., current assets to current liabilities) which was at 6.4 at 30 June 2020 has improved to 7.9 as at 30 June 2021 due to decrease in current liabilities and increase in current assets, mainly the cash reserves.

Main Cash Flow Movements For FY 2020/21

Cash generated from operating activities and working capital movements amounted to Rs. 1,054.8 million while the net cash spent on investing activities stood at Rs. 578.5 million. The investments were made on the port development projects, comprising mainly the construction of the Cruise Terminal Building at Port Louis. In FY 2020/21, the MPA effected payment of the AFD loan for a total amount of Rs. 191.6 million.

On the other hand, Government has announced at Section 40 of the Budget Speech for FY 2021/22, the construction and upgrading of some 1,500 drain projects across the island over the next three years for high-risk flood-prone areas. As per Section 41 of the Budget Speech, it has been stated that Parastatal bodies would be required to contribute a total of Rs. 8.5 billion from their excess cash balances for the above projects. As per Appendix A of the Government Budget 2021/22, a special dividend for an amount of Rs. 1.15 billion from cash balances of MPA, has been earmarked as revenue of Government to finance partly these projects.

Provision has been duly made in MPA Financial Statements for FY 2020/21 for the payment of the special dividend.

KEY FINANCIAL HIGHLIGHTS

The table below shows the key financial indicators of the Authority as at 30 June 2021 and its corresponding previous period figures.

	FY 2020/21	FY 2019/20
Profitability ratios		
Operating Profit Ratio	13.1%	21.8%
Net Surplus Margin	14.1%	29.1%
Solvency ratios		
Gearing ratio (Borrowings to Total Net assets)	2.9%	3.5%
Liquidity ratio		
Current ratio	7.9	6.4

With the declining Operating Revenue in FY 2020/21 and its resultant impact on the Operating and Net Surpluses, the Profitability Ratios for the financial year under review witnessed a decline.

OUTLOOK 2021/22

The world is facing an unprecedented challenge in the wake of the COVID-19 pandemic. In its October 2021 issue, the International Monetary Fund has lowered the global growth projection for 2021 to 5.9% while keeping the growth rate unchanged for 2022 at 4.9%. Global economic recovery across various major countries is growing but the momentum has weakened along the way with the emergence of new variants of the COVID-19 virus.

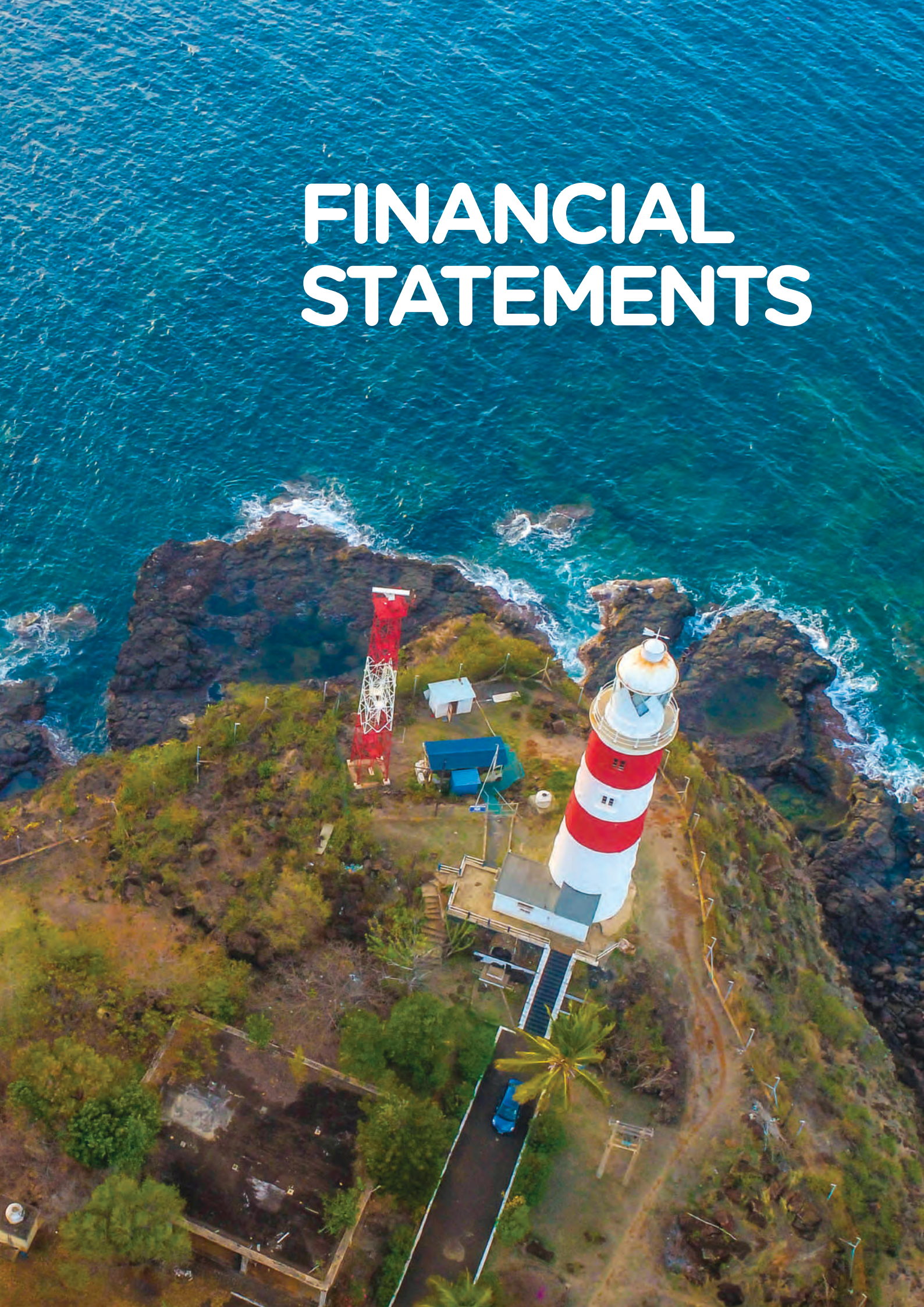
On the domestic front, with the gradual opening of the national borders as from October 2021, the local economy is expected to gain momentum and with the resumption of operations of almost all the business sectors. Trade level and activities are likely to experience growth in 2022.

For FY 2021/22, the MPA has set out various measures and strategies that will boost its revenue and build resilience of its operating business model. With the coming into operations of the Cruise Terminal Facility in the first quarter of 2022, the MPA intends to promote Mauritius as a cruise tourist destination under the Vanilla Island concept and attract more tourists to the region. However, the strict sanitary protocols and the new variant of the Covid-19, mainly the Omicron presents a real challenge for this business segment.

The MPA plays a vital role in the economic and social development of the country by ensuring the continuity of trade of goods and commodities. The MPA is therefore continuously investing in its fleet of equipment, floating craft and infrastructure to ensure provision of an optimum service level for a smooth flow of traffic through the port.



FINANCIAL STATEMENTS



Independent auditors' report To the member of MAURITIUS PORTS AUTHORITY



Grant Thornton
An instinct for growth™

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mauritius Ports Authority, the "Authority", which comprise the statement of financial position as at 30 June 2021 and the statement of financial performance, statement of changes in net assets/equity, statement of cash flows and statement of comparison of budget and actual figures for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements on pages 72 to 126 give a true and fair view of the financial position of the Authority as at 30 June 2021 and of its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) and the requirements of the Statutory Bodies (Accounts and Audit) Act 1972 and the Financial Reporting Act 2004.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of the Mauritius Ports Authority for the year ended 30 June 2020 were audited by another auditor who expressed a qualified opinion on those financial statements on 12 May 2021.

Information Other than the Financial Statements and Auditors' Report Thereon ("Other Information")

Management is responsible for the Other Information. The Other Information comprises mainly information included under the Corporate Information, Statement of Directors' Responsibilities and Corporate Governance Report sections, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the Other Information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

Independent auditors' report (Contd)

To the member of MAURITIUS PORTS AUTHORITY

Report on the Audit of the Financial Statements (Contd)

Corporate Governance Report

Our responsibility under the Financial Reporting Act 2004 is to report on the compliance with the Code of Corporate Governance ("the Code") disclosed in the Corporate Governance Report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the Corporate Governance Report, the Authority has, pursuant to Section 75 of the Financial Reporting Act 2004, complied with the requirements of the Code.

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

Management is responsible for the preparation of the financial statements in accordance with International Public Sector Accounting Standards and the requirements of the Statutory Bodies (Accounts and Audit) Act 1972 and the Financial Reporting Act 2004, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Management is responsible, amongst others, for the following in accordance with the Statutory Bodies (Accounts and Audit) Act 1972:

- To comply with any directions of the Minister, in so far as they relate to the accounts;
- To ensure that any expenditure incurred is not of an extravagant or wasteful nature, judged by normal commercial practice and prudence; and
- To apply its resources and carrying out its operations fairly and economically.

Management should also ensure that the Authority comply with the provisions of Part V of the Public Procurement Act 2006.

In preparing the financial statements, management is responsible for assessing the Authority'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 either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing 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.

Independent auditors' report (Contd)

To the member of MAURITIUS PORTS AUTHORITY

Report on the Audit of the Financial Statements (Contd)

Auditors' Responsibilities for the Audit of the Financial Statements (Contd)

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority'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 Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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 we identify during our audit.

Report on Other Legal and Regulatory Requirements

Statutory Bodies (Accounts and Audit) Act 1972

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit; and
- The Authority has complied with the Statutory Bodies (Accounts and Audit) Act 1972 and any directions of the Minister, in so far as they relate to the accounts.

Independent auditors' report (Contd)

To the member of MAURITIUS PORTS AUTHORITY

Report on the Audit of the Financial Statements (Contd)

Report on Other Legal and Regulatory Requirements (Contd)

Statutory Bodies (Accounts and Audit) Act 1972 (Contd)

Based on our examination of the records of the Authority, nothing has come to our attention that causes us to believe that:

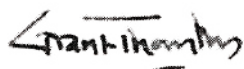
- Expenditure incurred was of an extravagant or wasteful nature, judged by normal commercial practice and prudence; and
- The Authority has not applied its resources and carried out its operations fairly and economically.

Public Procurement Act 2006

Based on our audit for the year ended 30 June 2021, the Authority has complied with the provisions of Part V of the Public Procurement Act 2006.

Use of this report

Our report is made solely to the member of the Authority as a body in accordance with Section 8 of the Statutory Bodies (Accounts and Audit) Act 1972. Our audit work has been undertaken so that we might state to the Authority's member those matters we are required to state to it in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's member as a body, for our audit work, for this report, or for the opinion we have formed.



Grant Thornton
Chartered Accountants



K RAMCHURUN, FCCA
Licensed by FRC

Date: 10 December 2021

Ebene 72201, Republic of Mauritius

Statement of financial position as at 30 June

	Notes	2021 Rs'000	Restated (Note 42) 2020 Rs'000	Restated (Note 42) 2019 Rs'000
Assets				
Current				
Cash and cash equivalents	6	725,736	441,098	276,729
Trade and other receivables	7	219,324	259,930	253,234
Loans receivable	8	33,307	30,780	49,997
Other financial assets	9	2,765,365	2,345,139	1,902,133
Inventories	10	20,103	24,370	29,548
Current assets		3,763,835	3,101,317	2,511,641
Non-current				
Intangible assets	11	2,930	4,251	1,863
Infrastructure, plant and equipment	12	11,872,081	13,138,502	13,558,418
Land and buildings	12	1,123,875	940,337	952,372
Investment property	13	9,482,072	9,461,404	9,461,404
Assets-under-construction	14	455,211	315,530	145,865
Available-for-sale financial assets	15	637,079	566,883	566,201
Loans receivable	8	42,108	71,450	90,810
Other financial assets	9	-	-	203,173
Non-current assets		23,615,356	24,498,357	24,980,106
Total assets		27,379,191	27,599,674	27,491,747
Liabilities				
Current				
Trade and other payables	16	179,151	194,381	250,759
Dividends payable to Government of Mauritius	17	-	-	300,000
Borrowings	18	210,207	199,056	178,574
Provisions for other liabilities	19	89,383	92,773	87,911
Current liabilities		478,741	486,210	817,244
Non-current				
Borrowings	18	510,090	670,269	766,448
Retirement benefit obligations	20	1,376,732	1,158,010	890,094
Capital grant	21	97,075	101,697	106,320
Non-current liabilities		1,983,897	1,929,976	1,762,862
Total liabilities		2,462,638	2,416,186	2,580,106
Net assets		24,916,553	25,183,488	24,911,641
Net assets/equity				
Republic of Mauritius capital account		48,059	48,059	48,059
Capital reserve	22	12,200,880	12,200,880	12,200,880
Reserve fund	22	4,808,258	4,749,300	4,482,491
Revaluation surplus	22	7,443,728	7,830,617	7,835,864
Investment fair value reserve	22	397,108	327,180	326,796
Accumulated surplus		18,520	27,452	17,551
Total net assets/equity		24,916,553	25,183,488	24,911,641

Approved by the Board of Directors on 10 December 2021 and signed on its behalf by:


Chairman
Shankhnad Ghurburrun


Director-General
Shekur Suntah


Director-Finance
S. Ganga

Statement of financial performance for the year ended 30 June

	Notes	2021 Rs'000	Restated (Note 42) 2020 Rs'000	Restated (Note 42) 2019 Rs'000
Operating revenue				
Vessel dues	23	567,472	675,660	620,452
Traffic dues	24	206,118	215,223	220,392
Container dues	25	437,733	442,105	467,896
Concession fees	36	155,750	155,751	155,751
		1,367,073	1,488,739	1,464,491
Non-operating revenue				
Investment income	26	20,893	39,213	24,084
Finance income	27	55,655	81,345	65,868
Rental income	28	186,268	152,104	136,563
Gain on disposal of plant and equipment		-	2,082	2,170
Other non-operating revenue	29	25,095	6,637	6,240
		287,911	281,381	234,925
Operating expenses				
Employee benefit expenses	30	(619,765)	(578,155)	(548,121)
Sundry operating expenses		(23,936)	(15,789)	(17,879)
Running and repairs of equipment expenses		(93,794)	(82,034)	(80,067)
Administrative expenses	31	(42,720)	(60,489)	(48,002)
Finance costs	18	(31,473)	(37,655)	(40,471)
Depreciation and amortisation	11 & 12	(625,796)	(610,623)	(610,214)
		(1,437,484)	(1,384,747)	(1,344,754)
Operating surplus		217,500	385,374	354,662
Net foreign exchange gain		107,062	129,280	22,704
Revaluation loss on infrastructure, plant and equipment	12	(67,623)	-	-
Loss on disposal of infrastructure, plant and equipment	12	(23,000)	-	-
Net surplus for the year		233,939	514,654	377,366
Other comprehensive income:				
Items that will not be reclassified subsequently to surplus or deficit:				
Revaluation surplus on investment property	13	-	-	1,857,904
Revaluation surplus on land	12	-	-	250,950
Revaluation loss on infrastructure, plant and equipment	12	(399,760)	-	-
Actuarial (losses)/gains recognised	19	(171,042)	(243,191)	17,321
Items that will be reclassified subsequently to surplus or deficit:				
Increase/(decrease) in fair value of available for-sale financial assets	15	69,928	384	(7,174)
Other comprehensive (loss)/income for the year		(500,874)	(242,807)	2,119,001
Total (deficit)/surplus for the year		(266,935)	271,847	2,496,367

The notes on pages 77 to 126 form an integral part of these financial statements.

Statement of changes in net assets/equity for the year ended 30 June

	Capital account Rs'000	Capital reserve Rs'000	Reserve fund Rs'000	Revaluation Surplus Rs'000	Investment fair value reserve Rs'000	Accumulated surplus Rs'000	Total Rs'000
At 01 July 2020 – Restated (Note 42)	48,059	12,200,880	4,749,300	7,830,617	327,180	27,452	25,183,488
Release on disposal of infrastructure, plant and equipment	-	-	-	12,871	-	(12,871)	-
Surplus for the year	-	-	-	-	-	233,939	233,939
Other comprehensive income:							
Revaluation loss on infrastructure, plant and equipment	-	-	-	(399,760)	-	-	(399,760)
Actuarial losses recognised	-	-	(171,042)	-	-	-	(171,042)
Increase in fair value of available for-sale financial assets	-	-	-	-	69,928	-	69,928
Total (deficit)/surplus for the year	-	-	(171,042)	(399,760)	69,928	233,939	(266,935)
Transfer from accumulated surplus to reserve fund	-	-	230,000	-	-	(230,000)	-
At 30 June 2021	48,059	12,200,880	4,808,258	7,443,728	397,108	18,520	24,916,553
At 01 July 2019 – Restated (Note 42)	48,059	12,200,880	4,482,491	7,835,864	326,796	17,551	24,911,641
Release on disposal of infrastructure, plant and equipment	-	-	-	(5,247)	-	5,247	-
Surplus for the year	-	-	-	-	-	514,654	514,654
Other comprehensive income:							
Actuarial losses recognised	-	-	(243,191)	-	-	-	(243,191)
Increase in fair value of available for-sale financial assets	-	-	-	-	384	-	384
Total surplus for the year	-	-	(243,191)	-	384	514,654	271,847
Transfer from accumulated surplus to reserve fund	-	-	510,000	-	-	(510,000)	-
At 30 June 2020 – Restated	48,059	12,200,880	4,749,300	7,830,617	327,180	27,452	25,183,488
At 01 July 2018 – Audited	48,059	10,255,376	4,240,170	7,589,281	333,970	60,818	22,527,674
Prior year Adjustments (Note 42)	-	87,600	-	-	-	-	87,600
At 01 July 2018 – Restated	48,059	10,342,976	4,240,170	7,589,281	333,970	60,818	22,615,274
Dividends	-	-	-	-	-	(200,000)	(200,000)
Transaction with the owner	-	-	-	-	-	(200,000)	(200,000)
Release on disposal of infrastructure, plant and equipment	-	-	-	(4,367)	-	4,367	-
Surplus for the year	-	-	-	-	-	377,366	377,366
Other comprehensive income:							
Revaluation surplus on land and investment property (Note 42)	-	1,857,904	-	250,950	-	-	2,108,854
Actuarial gains recognised	-	-	17,321	-	-	-	17,321
Decrease in fair value of available for-sale financial assets	-	-	-	-	(7,174)	-	(7,174)
Total surplus for the year	-	1,857,904	17,321	250,950	(7,174)	377,366	2,496,367
Transfer from accumulated surplus to reserve fund	-	-	225,000	-	-	(225,000)	-
At 30 June 2019 – Restated	48,059	12,200,880	4,482,491	7,835,864	326,796	17,551	24,911,641

The notes on pages 77 to 126 form an integral part of these financial statements.

Statement of cash flows for the year ended 30 June

	Notes	2021 Rs'000	Restated 2020 Rs'000	Restated 2019 Rs'000
Cash from operations	35	1,009,172	1,106,063	469,389
Interest received		78,467	69,907	51,446
Interest paid		(32,853)	(38,358)	(41,759)
Net cash from operating activities		1,054,786	1,137,612	479,076
Cash flows from investing activities				
Purchase of infrastructure, plant and equipment, net of assets under construction, land and building and intangible assets		(192,324)	(336,960)	(235,332)
Proceeds from sale of property, plant and equipment		-	2,082	5,720
Investments in available-for-sale financial assets		(268)	(298)	(1,293)
Capital reduction		-	-	8,460
Loan repayments received		29,976	49,231	47,218
Dividends received		26,597	21,876	23,807
Net movement on other financial assets		(442,506)	(227,834)	(288,241)
Net cash used in investing activities		(578,525)	(491,903)	(439,661)
Cash flows from financing activities				
Long term borrowings		(191,623)	(181,340)	(156,514)
Dividends paid		-	(300,000)	(150,000)
Net cash used in financing activities		(191,623)	(481,340)	(306,514)
Net increase in cash and cash equivalents		284,638	164,369	(267,099)
Cash and cash equivalents, beginning of year		441,098	276,729	543,828
Cash and cash equivalents, end of year	6	725,736	441,098	276,729

The notes on pages 77 to 126 form an integral part of these financial statements.

Statement of comparison of budget and actual amounts for the year ended 30 June

	Budget 2021 Rs'000	Actual 2021 Rs'000	Difference Rs'000
Operating revenue			
Vessel dues	677,902	567,472	(110,430)
Traffic dues	192,387	206,118	13,731
Container dues	425,649	437,733	12,084
Concession fees	155,750	155,750	-
	1,451,688	1,367,073	(84,615)
Non-operating revenue			
Investment income	25,068	20,893	(4,175)
Finance income	27,000	55,655	28,655
Rental income	147,658	186,268	38,610
Other non-operating revenue	18,650	25,095	6,445
	218,376	287,911	69,535
Operating expenses			
Employee benefit expenses	(590,309)	(619,765)	(29,456)
Sundry operating expenses	(10,905)	(23,936)	(13,031)
Running and repairs of equipment expenses	(170,897)	(93,794)	77,103
Administrative expenses	(105,702)	(42,720)	62,982
Finance costs	(28,250)	(31,473)	(3,223)
Depreciation and amortisation	(626,000)	(625,796)	204
	(1,532,063)	(1,437,484)	94,579
Operating surplus	138,001	217,500	79,499
Net foreign exchange gain	3,000	107,062	104,062
Revaluation loss on infrastructure, plant and equipment	-	(67,623)	(67,623)
Loss on disposal of infrastructure, plant and equipment	-	(23,000)	(23,000)
Net surplus for the year	141,001	233,939	92,938

The notes on pages 77 to 126 form an integral part of these financial statements.

Notes to the financial statements

For the year ended 30 June 2021

I. GENERAL INFORMATION

Mauritius Ports Authority, the “Authority” or “MPA”, is a state-owned enterprise, domiciled in the Republic of Mauritius.

The Ports Act 1998 has established the Mauritius Ports Authority as the sole national Port Authority to operate as a landlord port, to regulate and control the port sector and to provide marine services. Its registered address is H. Ramnarain Building, Mer Rouge, Port Louis, Republic of Mauritius.

In line with the MPA Vision 2040, the Authority is planning its business restructuring exercise. The MPA Vision 2040 sets out the strategic direction of the Authority in terms of prioritising the allocation of resources, assets and port development projects for the next 20 years. The core focus of the MPA will be centred around the following key business segments: port Tariffication & Licensing, port Security, port infrastructure development and marketing & Commercial.

2. SIGNIFICANT ACCOUNTING POLICIES

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

2.1. Basis of preparation

The financial statements of Mauritius Ports Authority comply with the Statutory Bodies (Accounts and Audit) Act 1972 and have been prepared in accordance with International Public Sector Accounting Standards (“IPSAS”) issued by the International Public Sector Accounting Standards Board (IPSASB). The Authority has adopted IPSAS as required by Section 75 of the revised Financial Reporting Act 2004. Where there is no applicable IPSAS, the alternative accounting standards applied are the International Financial Reporting Standards (“IFRS”). These financial statements have been presented in Mauritian Rupee and all values are rounded to the nearest thousand (Rs ‘000) except where otherwise stated.

The financial statements have been prepared on an accrual basis and under the historical cost convention except that:

- (i) land and buildings are carried at revalued amounts;
- (ii) infrastructure, plant and equipment (excluding furniture and equipment) are carried at revalued amounts;
- (iii) investment properties are stated at fair value; and
- (iv) available-for-sale financial assets and relevant financial assets and liabilities are stated at their fair value.

2.2 Application of new and revised IPSAS

In the current financial year, there were no revised standards issued by IPSASB that became mandatory for the first time for the financial year beginning 01 July 2020.

Notes to the financial statements

For the year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD)

2.3 Standards and amendments to existing standards that are not yet effective and have not been adopted early by the Authority

At the date of authorisation of the financial statements, the following IPSASs were in issue but not effective for financial statements beginning on 1 July 2020:

IPSAS 4: *Financial Instruments* will replace IPSAS 29: *Financial Instruments: Recognition and Measurement* as from 01 January 2023 and the objective is to establish new requirements for classifying, recognising and measuring financial instruments.

IPSAS 42: *Social Benefits* will be effective as from 01 January 2023 and the objective is to help users of financial statements to assess the nature of social benefits provided by an entity, the features of the operation of social benefit scheme and the impact of social benefits on the entity's financial performance, financial position and cash flows.

2.4 Property, plant and equipment

Property, plant and equipment is initially recorded at cost.

Some classes of property, plant and equipment held for the operational activities or for administrative purposes are stated at revalued amounts less subsequent depreciation. Revalued amounts are fair value determined out by external independent valuers once every 5 years or more frequently if market factors indicate a material change in fair value. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

The remaining classes of property, plant and equipment are stated at historical cost less depreciation.

Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Increases in the carrying amounts arising from revaluation are credited directly to revaluation surplus. However, the increase shall be recognised in surplus or deficit to the extent that reverses a revaluation decrease of the same class of assets previously recognised in surplus or deficit.

Properties in the course of construction for operational activities, rental or administrative purposes or for purposes not yet determined are carried at cost less any recognised impairment loss. Cost includes professional fees and for qualifying assets, borrowing costs are capitalised. Depreciation on these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals of property, plant and equipment are determined by comparing proceeds with carrying amount of the assets and are recognised in surplus or deficit. On disposal of revalued assets, the amounts included in revaluation surplus are transferred to accumulated surpluses or deficits.

Depreciation is calculated on the straight-line method to write down the cost or revalued amounts to their residual values over their estimated useful lives.

Notes to the financial statements

For the year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD)

2.4 Property, plant and equipment (Contd)

The annual rates are as follows:

	% annual rates
Buildings and Infrastructure	2.5 - 100
Navigational Aids	1.7 - 20
Tugs and Floating Crafts	5 - 100
Furniture and Equipment	20
Plant and Equipment	5.26 - 25
Cargo Handling Equipment	7.14 - 16.66
Marine Radio Equipment	10 - 20
Mooring Buoys and Ancillary Equipment	10 - 20
Motor Vehicles and Fire Fighting Equipment	7.69 - 100
Electrical Installation	10 - 25
Computer and Security Equipment	20

Land is not depreciated.

Subsequent expenditures related to an item of property, plant and equipment are added to its net book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenditures are expensed as and when incurred.

Projects under which assets are not ready for their intended use are shown separately in the statement of financial position as 'Assets under construction'.

2.5 Intangible assets

Intangible assets comprise computer software and are amortised over a period of 5 years.

The method of amortisation reflects the pattern in which the economic benefits of the intangible assets are consumed or otherwise used up and where such pattern cannot be reliably determined, a straight-line amortisation method is used.

All intangible assets are subject to impairment testing at each reporting date.

2.6 Investment properties

All of the Authority's property interests, held to earn rentals or for capital appreciation purposes or both and not occupied by the Authority, are accounted for as investment properties and are measured using the fair value model. Investment properties are revalued based on fair value determined by external independent valuers once every 5 years or more frequently if market factors indicate a material change in fair value. Gains and losses arising from changes in the fair value of investment properties are included in surplus or deficit in the year in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in surplus or deficit in the year in which the property is derecognised.

Notes to the financial statements

For the year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD)

2.7 Financial assets

Categories of financial assets

The Authority classifies its financial assets in the following categories: loans and receivables and available-for-sale financial assets.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment. The Authority's loans and receivables comprise cash and cash equivalents, other financial assets, loans receivable and most of its trade and other receivables.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within twelve months at the end of the reporting date.

Recognition and measurement

Purchases and sales of financial assets are recognised on trade-date, the date on which the Authority commits to purchase or sell the asset. Investments are initially measured at fair value plus transaction costs for all financial assets.

Available-for-sale financial assets are subsequently carried at their fair values. Loans and receivables are carried at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are accounted at cost.

Unrealised gains and losses arising from changes in the fair value of financial assets classified as available-for-sale are recognised directly in investment fair value reserve through the statement of changes in net assets/equity. When financial assets classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the statement of financial performance as gains and losses on financial assets.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active and for unlisted securities, the Authority establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flows analysis, and option pricing models refined to reflect the issuer's specific circumstances.

Notes to the financial statements

For the year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD)

2.7 Financial assets (Contd)

Impairment of financial assets

The Authority assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

For available-for-sale equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- probability that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial assets because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Authority's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through surplus or deficit to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised directly in net assets/equity are reclassified to surplus or deficit.

Any increase in fair value subsequent to an impairment loss is recognised directly in the net assets/equity under the heading of investments revaluation reserve. Impairment losses recognised in surplus or deficit for an available-for-sale investment shall not be reversed through surplus or deficit.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in surplus or deficit.

Derecognition of financial assets

The Authority derecognises a financial asset only when the contractual rights to the cash flows from the asset expires, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

If the Authority retains substantially all the risks and rewards of ownership of a transferred financial asset, the Authority continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

Notes to the financial statements

For the year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD)

2.7 Financial assets (Contd)

Derecognition of financial assets (Contd)

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised directly in net assets/equity is recognised in surplus or deficit.

On derecognition of a financial asset other than in its entirety, the Authority allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised directly in net assets/equity are recognised in surplus or deficit. A cumulative gain or loss that had been recognised directly in net assets/equity is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.8 Long term receivables

Long term receivables with fixed maturity terms are measured at amortised cost using the effective interest rate method, less provision for impairment. The carrying amount of the asset is reduced by the difference between the asset's carrying amount and the present value of estimated cash flows discounted using the current market rate of return of similar financial assets.

If there is objective evidence that an impairment loss has occurred, same is recognised in surplus or deficit. Long term receivables without fixed maturity terms are measured at cost.

2.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

2.10 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Authority will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of provision is recognised in surplus or deficit.

2.11 Retention monies

Retention monies are amount retained by the Authority on construction contracts awarded to external contractors and which are not paid until the satisfaction of conditions specified in the contract for the payment of such amounts or until defects have been rectified.

Retention monies are recognised on the basis of percentage of completion method, as certified by civil engineers and are accounted based on retention percentage stipulated in the contract.

The retention monies payable are accounted under trade and other payables with a corresponding entry accounted in 'Assets under construction'.

Notes to the financial statements

For the year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD)

2.12 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and demand deposits, together with other short term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value.

All fixed deposits with initial maturity more than 3 months are recognised separately under 'Other financial assets'.

2.13 Trade and other payables

Trade and other payables and accruals are liabilities to pay for goods or services that have been received or supplied or formally agreed with the suppliers. Trade and other payables are stated at their fair value and subsequently measured at amortised cost using the effective interest method.

2.14 Borrowings

Borrowings are recognised initially at fair value being their issue proceeds net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in surplus or deficit over the period of the borrowings using the effective interest method.

2.15 Employment benefits

The Authority provides post-employment benefits through various defined contribution and defined benefit plans.

Defined contribution plans

The Authority pays fixed contributions into a defined contribution scheme administered by SICOM for employees who joined the MPA after 01 January 2013. The Authority has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that related employee services are received.

Defined benefit plans

Under the Authority's defined benefit plans, the amount of pension benefit that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The legal obligation for any benefits remains with the Authority, even if plan assets for funding the defined benefit plan have been set aside. Plan assets may include assets specifically designated to a long-term benefit fund as well as qualifying insurance policies.

The liability recognised in the statement of financial position for defined benefit plans is the present value of the defined benefit obligation ("DBO") at the reporting date less the fair value of plan assets.

Management estimates the DBO on an annual basis and hires SICOM Ltd to carry out this exercise. This is based on standard rates of inflation, salary growth rate and mortality. Discount factors are determined close to each year-end by reference to high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability.

Service cost on the Authority's defined benefit plan is included in employee benefit expenses. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Net interest expense on the net defined benefit liability is also included in employee benefit expenses. Gains and losses resulting from remeasurements of the net defined benefit liability are included in other comprehensive income.

Notes to the financial statements

For the year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD)

2.15 Employment benefits (Contd)

State plan

Contributions to the National Savings Fund are expensed in the statement of financial performance in the period in which they fall.

Short-term employee benefits

Short-term employee benefits are included in employee benefits expenses.

2.16 Foreign currencies

Functional and presentation currency

Items included in the financial statements are measured using Mauritian rupees ("MUR" or "Rs"), the currency of the primary economic environment in which the Authority operates ("functional currency"). The financial statements are presented in Mauritian rupees, which is the Authority's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in surplus or deficit.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the investment fair value reserve.

2.17 Impairment of assets

At each reporting date, the Authority reviews the carrying amounts of its assets to determine whether there is any 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).

When it is not possible to estimate the recoverable amount of an individual asset, the Authority estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate 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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Notes to the financial statements

For the year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD)

2.17 Impairment of assets (Contd)

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised 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 or cash-generating 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 recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised 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 a revaluation increase.

2.18 Revenue recognition

Revenue comprises the fair value for the sale of services, net of rebates and discounts.

Sales of services are recognised in the accounting year in which the services are rendered (by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of total services to be provided).

The Authority has entered into a concession agreement with the Cargo Handling Corporation Limited whereby the latter provides cargo services at Terminals I, II and III as a cargo operator. Concession fees are receivable annually.

Other revenues earned by the Authority are recognised on the following bases:

- Rental income - on an accruals basis in accordance with the substance of the relevant agreements.
- Interest income - on a time-proportion basis using the effective interest method. When a receivable is impaired, the Authority reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised either as cash is collected or on a cost-recovery basis as conditions warrant.
- Dividend income - when the shareholder's right to receive payment is established.
- Other income - in the accounting period in which it is receivable.

2.19 Provisions

Provisions are recognised when the Authority has a present obligation (legal or constructive) as a result of past events. It is probable that the Authority will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Notes to the financial statements

For the year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD)

2.20 Funds and reserves

Capital account

Capital account represents investments in the form of capital by the Government of Mauritius.

Other reserves

Other reserves include the following:

- Capital reserve - Comprises gains & losses on revaluation on investment properties and other reserve.
- Reserve fund - This reserve represents funds transferred to Port Development Reserve, General Reserve and Insurance Reserve.
- Revaluation reserve - Comprises gains and losses from revaluation of property, plant and equipment.
- Investment fair value reserve - Comprises gains and losses on fair valuation of available-for-sale financial assets.

2.21 Surpluses and deficits

Accumulated surpluses include all current and prior years' results.

2.22 Dividend distribution

Dividend distribution to the Government of Mauritius is recognised as a liability in the Authority's financial statements in the year in which the dividends are declared.

2.23 Leases

Leases are classified as finance lease where the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases (net of any incentives received from the lessor) and are charged to surplus or deficit on a straight line basis over the period of the lease.

The Authority as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2.24 Related parties

For the purpose of these financial statements, parties are considered to be related to the Authority if they have the ability, directly or indirectly, to control the Authority or exercise significant influence over the Authority in making financial and operating decisions, or vice versa, or where the Authority is subject to common control or common significant influence. Related parties may be individuals or other entities.

Notes to the financial statements

For the year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD)

2.25 Grants

Grants are not recognised until there is reasonable assurance that the Authority will comply with the conditions attaching to them. Grants are recognised in surplus or deficit on a systematic basis over the periods in which the Authority recognises as expenses the related cost for which the grants are intended to compensate. Specifically, grants whose primary condition is that the Authority should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to surplus or deficit on a systematic and rational basis over the useful life of the related assets.

Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Authority with no future related cost are recognised in surplus or deficit in the period in which they become receivable.

2.26 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in surplus or deficit in the period in which they are incurred.

2.27 Operating expenses

Operating expenses are recognised in deficit or surplus upon utilisation of the service or as incurred.

2.28 Comparatives

Where necessary, comparatives figures have been adjusted to conform with changes in presentation in the current year.

3. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Authority's activities expose it to a variety of financial risks, including:

- Foreign exchange risk;
- Credit risk;
- Price risk;
- Liquidity risk; and
- Interest rate risk.

Notes to the financial statements

For the year ended 30 June 2021

3. FINANCIAL RISK MANAGEMENT (CONTD)

Financial risk factors (Contd)

The Authority's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects of the Authority's financial performance.

A description of the significant risk factors is given below together with the risk management policies applicable.

3.1 Foreign exchange risk

The Authority is exposed to foreign exchange risk arising from various currency exposures primarily with respect to Euro ("EUR") and United States Dollar ("USD").

The Authority has set up a policy that requires management to manage its exchange risk exposures with treasury.

The Authority aims at keeping sufficient cash in foreign currencies to repay its debts denominated in that same currency and also to finance major capital projects payable in foreign currencies.

The Authority's currency profile is as follows:

	MUR Rs'000	2021 USD Rs'000	EUR Rs'000	MUR Rs'000	2020 USD Rs'000	EUR Rs'000
Assets						
Cash and cash equivalents	176,613	548,615	508	134,382	305,298	1,418
Other financial assets	970,343	1,795,022	-	614,351	1,730,788	-
Loans receivable	10,209	65,206	-	11,474	90,756	-
Available-for-sale financial assets	637,079	-	-	566,883	-	-
Trade and other receivables	204,836	-	-	246,175	-	-
	1,999,080	2,408,843	508	1,573,265	2,126,842	1,418

	MUR Rs'000	2019 USD Rs'000	EUR Rs'000
Assets			
Cash and cash equivalents	33,354	232,963	10,412
Other financial assets	801,181	1,304,125	-
Loans receivable	12,917	127,890	-
Available-for-sale financial assets	566,201	-	-
Trade and other receivables	243,449	-	-
	1,657,102	1,664,978	10,142

Notes to the financial statements

For the year ended 30 June 2021

3. FINANCIAL RISK MANAGEMENT (CONTD)

Financial risk factors (Contd)

3.1 Foreign exchange risk (Contd)

		2021			2020	
	MUR Rs'000	USD Rs'000	EUR Rs'000	MUR Rs'000	USD Rs'000	EUR Rs'000
Liabilities						
Borrowings	-	720,297	-	-	869,325	-
Trade and other payables	147,496	1,127	-	181,173	13,208	-
Provision for other liabilities	89,383	-	-	92,773	-	-
	236,879	721,424	-	273,946	882,533	-

		2019	
	MUR Rs'000	USD Rs'000	EUR Rs'000
Liabilities			
Borrowings	-	945,022	-
Trade and other payables	224,318	26,441	-
Provision for other liabilities	87,911	-	-
	312,229	971,463	-

At 30 June 2021, if the rupee had weakened/strengthened by 3% against the USD/EUR with all other variables held constant, surplus income for the year would have reduced/increased by Rs 50.638 million (2020: Rs 37.372 million).

3.2 Credit risk

Credit risk is the risk of financial loss to the Authority if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Authority's credit risk is primarily attributable to its receivables. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Authority's management based on prior experience and the current economic environment.

The Authority has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The Authority has policies in place to ensure that rendering of services are made to customers with an appropriate credit history.

Notes to the financial statements

For the year ended 30 June 2021

3. FINANCIAL RISK MANAGEMENT (CONTD)

Financial risk factors (Contd)

3.2 Credit risk (Contd)

The table below shows the balance of the major counterparties at the reporting date.

	2021 Rs'000	2020 Rs'000	2019 Rs'000
Maersk Mauritius Ltd	17,356	30,432	22,624
Cargo Handling Corporation Limited	14,341	14,164	14,999
Mediterranean Shipping & Co. Ltd	22,637	12,778	22,678
CMA CGM (Mauritius) Ltd	8,837	10,103	7,651
Total Mauritius Limited	16,321	10,634	10,215
Mauritius Shipping Corporation Ltd	11,994	4,350	14,631
	91,486	82,461	92,798

The Authority considers that no credit risk is associated with the loans receivable since payments are received as per terms of repayment.

Concerning the available-for-sale financial assets, the Authority has invested in a diversified portfolio and these investments are measured at fair value. Management considers the credit risk to be manageable.

The credit risk for cash and cash equivalents and other financial assets are considered negligible, since the counterparties are reputable banks with high quality external credit rating.

3.3 Price risk

The Authority is exposed to price risk in relation to its equity investments which are measured at fair value based on their quoted prices or generally acceptable valuation techniques.

Sensitivity analysis

The table below summarises the impact of increase/decrease in the fair value of the investments on the net assets/equity.

The analysis is based on the assumption that the fair value had increased/decreased by 5%.

Impact on net assets/equity

	2021 Rs'000	2020 Rs'000	2019 Rs'000
Available-for-sale financial assets	31,854	28,344	28,310

3.4 Liquidity risk

Liquidity risk is the risk that the Authority will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivery of cash or another financial asset.

Notes to the financial statements

For the year ended 30 June 2021

3. FINANCIAL RISK MANAGEMENT (CONTD)

Financial risk factors (Contd)

3.4 Liquidity risk (Contd)

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Authority aims at maintaining flexibility in funding by keeping committed credit lines available.

The table below analyses the Authority's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting date to the contractual maturity date.

30 June 2021	6 months or less Rs'000	6 - 12 months Rs'000	2 - 5 years Rs'000	Over 5 years Rs'000	Total Rs'000
Trade and other payables	148,623	-	-	-	148,623
Provisions for other liabilities	89,383	-	-	-	89,383
Borrowings	-	210,207	510,090	-	720,297
Total	238,006	210,207	510,090	-	958,303

30 June 2020	6 months or less Rs'000	6 - 12 months Rs'000	2 - 5 years Rs'000	Over 5 years Rs'000	Total Rs'000
Trade and other payables	117,974	-	-	-	117,974
Provisions for other liabilities	92,773	-	-	-	92,773
Borrowings	99,528	99,528	670,269	-	869,325
Total	310,275	99,528	670,269	-	1,080,072

30 June 2019	6 months or less Rs'000	6 - 12 months Rs'000	2 - 5 years Rs'000	Over 5 years Rs'000	Total Rs'000
Trade and other payables	250,759	-	-	-	250,759
Provisions for other liabilities	87,911	-	-	-	87,911
Borrowings	89,287	89,287	766,448	-	945,022
Total	427,957	89,287	766,448	-	1,283,692

3.5 Interest rate risk

All the interest-bearing assets and liabilities have fixed interest rate except cash and cash equivalents.

Therefore, the Authority's exposure to interest rate risk is limited to its cash and cash equivalents.

At June 30, 2021, the Authority's interest bearing financial instruments included cash at bank amounting to Rs 725.736 million (2020: Rs. 441.098 million, 2019: Rs.276.729 million). The rate may increase or decrease depending on the prime lending rate.

Notes to the financial statements

For the year ended 30 June 2021

3. FINANCIAL RISK MANAGEMENT (CONTD)

Financial risk factors (Contd)

3.5 Interest rate risk (Contd)

A change of 0.50% in interest rates at the reporting date would have increased/(decreased) surplus by Rs 3.629 million (2020: Rs 2.205 million, 2019: Rs 1.384 million) for the Authority.

Interests rates between 0.46% to 1.30% p.a. are receivable on MUR treasury bills, treasury certificates and government bonds while interest rates between 1.00 % to 1.60 % p.a. are receivable on USD fixed deposit accounts.

4. CAPITAL RISK MANAGEMENT

The Authority's objectives when managing capital are:

- to safeguard the Authority's ability to continue as a going concern, so that it can continue to provide returns for its member and benefits for other stakeholders, and
- to provide an adequate return to its member by pricing services commensurately with the level of risk.

The Authority sets the amount of capital in proportion to risk. The Authority manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Authority may adjust the amount of dividends paid to the Government or sell assets to reduce debt.

The Authority monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt adjusted capital. Net debt is calculated as total debt (as shown in the statement of financial position) less cash and cash equivalents and other short-term financial assets. Adjusted capital comprises all components of equity (i.e capital account, capital reserve, reserve fund, investment fair value reserve, accumulated surpluses and revaluation surplus).

During the year ended 30 June 2021, the Authority's strategy, which was unchanged from the year ended 30 June 2020 and 2019, was to maintain the least amount of debt. The gearing ratios as at 30 June 2021, 30 June 2020 and 30 June 2019 were as follows:

	2021 Rs'000	2020 Rs'000	2019 Rs'000
Total debt	720,297	869,325	945,022
Less: cash and cash equivalents (including other financial assets)	(3,491,101)	(2,786,237)	(2,382,035)
Net debt	(2,770,804)	(1,916,912)	(1,437,013)
Total net assets/equity	24,916,553	22,987,034	22,715,187
Net debt-to-adjusted capital ratio	-	-	-

Notes to the financial statements

For the year ended 30 June 2021

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Authority makes estimates and assumptions concerning the potential future events. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions made by the Authority that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below.

Impairment of available-for-sale financial assets

The Authority follows the guidance of IPSAS 29 on determining when an investment is other-than-temporarily impaired. This determination requires significant judgement. In making this judgement, the Authority evaluates, among other factors, the duration and extent to which the fair value of an investment is less than their carrying value taking into consideration factors such as industry and sector performance, changes in technology and the financial health of and near-term business outlook for the operational and financing cash flow.

Impact of COVID-19

In January 2020, the World Health Organization has declared the outbreak of a novel coronavirus (COVID-19) as a “Public Health Emergency of International Concern,” which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets.

The directors have considered the potential adverse impact of the COVID-19 pandemic on the Authority’s business activities by making assumptions using the existing market conditions as well as forward looking estimates at the end of the reporting date. Estimation uncertainty relates to assumptions about future operating results.

Pension benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Authority determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations.

In determining the appropriate discount rate, the Authority considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 20.

Revaluation of land and buildings and investment properties

The Authority carries its investment properties at fair value, with changes in fair value being recognised in surplus or deficit. In addition, it measures land and buildings at revalued amounts with changes in fair value being recognised

Notes to the financial statements

For the year ended 30 June 2021

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTD)

Revaluation of land and buildings and investment properties (Contd)

directly to revaluation surplus. The Authority engaged independent valuation specialists to determine fair value. For the investment properties, the valuer used a valuation technique based on a discounted cash flow model as there is a lack of comparable market data because of the nature of the property.

The determinable fair value of the investment properties is most sensitive to the estimated yield as well as the long term vacancy rate. The key assumptions used to determine the fair value of the investment properties, are further explained in Note 13.

Fair value of securities not quoted in an active market

The fair value of securities not quoted in an active market may be determined by the Authority using valuation techniques including third party transaction values, earnings, net asset value or discounted cash flows, whichever is considered to be appropriate. The Authority would exercise judgement and estimates on the quantity and quality of pricing sources used. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Asset lives and residual values

Property, plant and equipment and intangible assets are depreciated over its useful life taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extent of current profits and losses on the disposal of similar assets.

Depreciation policies

Property, plant and equipment are depreciated to their residual values over their estimated useful lives. The residual value of an asset is the estimated net amount that the Authority would currently obtain from disposal of the asset, if the asset was already of the age and in condition expected at the end of its useful life.

The directors therefore make estimates based on historical experience and use best judgement to assess the useful lives of assets and to forecast the expected residual values of the assets at the end of their expected useful lives.

Revenue recognition

The percentage of completion method is utilised to recognise revenue on long-term contracts. Management exercises judgement in calculating the deferred revenue reserve which is based on the anticipated cost of repairs over the life cycle of the equipment applied to the total expected revenue arising from maintenance and repair contracts.

In addition, management exercises judgement in assessing whether significant risks and rewards have been transferred to the customer to permit revenue to be recognised.

Impairment of assets

Property, plant and equipment and intangible assets are considered for impairment if there is a reason to believe that impairment may be necessary. Factors taken into consideration in reaching such a decision include the economic viability of the asset itself and where it is a component of a larger economic unit, the viability of that unit itself.

Notes to the financial statements

For the year ended 30 June 2021

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTD)

Impairment of assets (Contd)

Future cash flows expected to be generated by the assets or cash-generating units are projected, taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current net asset value added and, if lower, the assets are impaired to the present value.

6. CASH AND CASH EQUIVALENTS

	2021 Rs'000	2020 Rs'000	2019 Rs'000
Cash in hand in:			
MUR	97	95	95
Cash at bank in:			
MUR	176,515	134,287	163,143
EUR	508	1,418	10,412
USD	548,616	305,298	103,079
	725,736	441,098	276,729

(i) Cash at bank also includes deposits and bills with an original maturity period of up to three months.

7. TRADE AND OTHER RECEIVABLES

	2021 Rs'000	2020 Rs'000	2019 Rs'000
Trade receivables	88,508	102,724	109,032
Amounts owed by related party:			
- Cargo Handling Corporation Ltd (Note 34)	13,433	13,255	14,091
Receivable from lessees of the Authority	54,512	72,759	63,751
	156,453	188,738	186,874
Allowance for credit losses (note (d))	(14,943)	(16,088)	(12,078)
	141,510	172,650	174,796
Accrued revenue	32,982	43,262	37,316
Advances to employees	30,049	29,968	31,042
Prepayments	14,488	13,755	9,785
Other receivables	295	295	295
	219,324	259,930	253,234

Notes to the financial statements

For the year ended 30 June 2021

7. TRADE AND OTHER RECEIVABLES (CONTD)

(a) The net carrying amount of trade and other receivables is considered a reasonable approximation of the fair values.

(b) All of the Authority's trade and other receivables have been reviewed for indicators of impairment. Management believes that the provision of Rs 14.943 million is adequate and no additional provision is required at 30 June 2021.

(c) As of 30 June 2021, trade receivables of Rs 69.749 million (2020: Rs 26.587 million, 2019: Rs 18.415 million) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2021 Rs'000	2020 Rs'000	2019 Rs'000
Over 3 months	69,749	26,587	18,415

(d) Movements of the provision for impairment of trade receivables are as follows:

	2021 Rs'000	2020 Rs'000	2019 Rs'000
At 01 July	16,088	12,078	13,344
Impairment losses	-	4,010	-
Amounts written off (uncollectible)	-	-	(1,266)
Reversal of overprovisions made	(1,145)	-	-
At 30 June	14,943	16,088	12,078

(e) The other classes within trade and other receivables do not contain impaired assets. The maximum exposure to credit risk at the end of the reporting date is the fair value of each class of receivable mentioned above. The Authority does not hold any collateral as security.

8. LOANS RECEIVABLE

	2021 Rs'000	2020 Rs'000	2019 Rs'000
Non-current			
Loans to Cargo Handling Corporation Limited (Note 8(a))	33,375	60,596	79,669
Loans to Mauritius Housing Company Ltd (Note 8(b))	8,733	10,854	11,141
	42,108	71,450	90,810
Current			
Loans to Cargo Handling Corporation Limited (Note 8(a))	31,830	30,160	48,221
Loans to Mauritius Housing Company Ltd (Note 8(b))	1,477	620	1,776
	33,307	30,780	49,997
Total loans receivable	75,415	102,230	140,807

Notes to the financial statements

For the year ended 30 June 2021

8. LOANS RECEIVABLE (CONTD)

(a) Loans receivable from Cargo Handling Corporation Limited represent advance for the purchase of cargo handling equipment. The loan is repayable in equal yearly instalments. The rate of interest on the loan is 3%.

(b) Loans receivable from Mauritius Housing Corporation Ltd represent advances for the Authority's Housing Loan Scheme. The loans are unsecured and are repayable in 20 equal yearly instalments. The rates of interest have been reduced from 5% to 2.50% since January 2016.

(c) Non-current loans receivable can be analysed as follows:

	2021 Rs'000	2020 Rs'000	2019 Rs'000
After one year and before five years:			
Cargo Handling Corporation Limited	33,375	60,596	79,669
Mauritius Housing Company Ltd	6,217	1,355	3,616
	39,592	61,951	83,285
After five years:			
Mauritius Housing Company Ltd	2,516	9,499	7,525
Total loans receivable	42,108	71,450	90,810

9. OTHER FINANCIAL ASSETS

Other financial assets include fixed deposits placed with banks which are categorised as follows:

	2021 Rs'000	2020 Rs'000	2019 Rs'000
Current			
Fixed deposits with initial maturity more than 3 months but less than 12 months:			
Between 3 to 6 months	-	562,711	158,334
Between 6 to 12 months	2,765,365	1,782,428	1,743,799
	2,765,365	2,345,139	1,902,133
Non-current			
Fixed deposits with initial maturity more than 12 months	-	-	203,173
Total	2,765,365	2,345,139	2,105,306

Notes to the financial statements

For the year ended 30 June 2021

10. INVENTORIES

	2021	2020	2019
	Rs'000	Rs'000	Rs'000
Oil, lubricants and spare parts	26,224	28,677	30,136
Office supplies	1,280	1,158	1,180
Operating supplies	640	458	398
Uniforms	602	153	178
Goods in transit	1,269	818	824
	30,015	31,264	32,716
Provision for damaged and obsolete items	(9,912)	(6,894)	(3,168)
	20,103	24,370	29,548

The cost of inventories recognised as expense during the year under review amounted to Rs 34.9 million (2020: Rs 74.970 million, 2019: Rs 80.546 million) and are included in running and repairs of equipment expenses.

11. INTANGIBLE ASSETS

	2021	2020	2019
	Rs'000	Rs'000	Rs'000
Cost			
At 01 July	36,546	33,316	30,987
Additions during the year	75	3,230	2,329
At 30 June	36,621	36,546	33,316
Amortisation			
At 01 July	32,295	31,453	27,888
Amortisation during the year	1,396	842	3,565
At 30 June	33,691	32,295	31,453
Carrying amount at 30 June	2,930	4,251	1,863

12. INFRASTRUCTURE, PLANT AND EQUIPMENT, LAND AND BUILDINGS

The accounting policy of the Authority is to revalue the Infrastructure, Plant and Equipment, Land and Building by external independent valuers once every 5 years or more frequently if market factors indicate a material change in fair value. The last valuation was carried out in 2014. During the year under review, Infrastructure, Plant and Equipment, Land and Building have been revalued by Mega Design Limited Consulting Engineers and Project Managers.

Notes to the financial statements

For the year ended 30 June 2021

12. INFRASTRUCTURE, PLANT AND EQUIPMENT, LAND AND BUILDINGS (CONTD)

	COST/VALUATION							
	01 July	Disposals	Additions	Revaluation	Scrapped*	Assets	Reclassification	30 June
	2020 Restated			gains/(losses)	items	written off		2021
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Infrastructure, plant and equipment								
Infrastructure	491,897	-	-	358,031	-	-	80,927	930,855
Navigational aids	21,768	-	236	63,399	-	-	-	85,403
Tugs and floating crafts	964,180	-	-	117,247	(23,000)	-	-	1,058,427
Quays	13,887,812	-	865	(1,253,309)	-	-	-	12,635,368
Furniture and equipment	53,176	-	1,109	-	-	(13,324)	-	40,961
Plant and equipment	55,508	-		199,047	-	-	-	
			1,331					255,886
Cargo handling equipment	3,562	-	-	639	-	-	-	4,201
Marine radio equipment	8,836	-	186	(522)	-	-	-	8,500
Mooring buoys and ancillary equipment	216,100	-	10,076	(183,854)	-	-	-	42,322
Motor vehicles and fire-fighting equipment	67,171	-	6,092	15,054	-	-	-	88,317
Electrical installation	47,120	-	-	4,506	-	-	-	51,626
Computer and security equipment	96,590	-	1,477	733	-	(2,004)	-	96,796
Fencing port area	80,927	-	-	-	-	-	(80,927)	-
Sub Total	15,994,647	-	21,372	(679,029)	(23,000)	(15,328)	-	15,298,662
Land and buildings								
Land	621,600	-	-	-	-	-	-	621,600
Buildings	493,903	-	31,196	211,646	-	-	(20,668)	716,077
Sub Total	1,115,503	-	31,196	211,646	-	-	(20,668)	1,337,677
Total	17,110,150	-	52,568	(467,383)	(23,000)	(15,328)	(20,668)	16,636,339

*Scrapped items pertain to Tug Sir Gaetan which sunk in August 2020. Consequently, an amount of Rs 23 million was derecognized in these financial statements.

Notes to the financial statements

For the year ended 30 June 2021

12. INFRASTRUCTURE, PLANT AND EQUIPMENT, LAND AND BUILDINGS (CONTD)

	ACCUMULATED DEPRECIATION					NET BOOK VALUE 30 June 2021 Audited Rs'000
	At 01 July 2020 Restated Rs'000	Charge for the year Rs'000	Assets written off Rs'000	Reclassification Rs'000	At 30 June 2021 Audited Rs'000	
Infrastructure, plant and equipment						
Infrastructure	186,081	106,037	-	9,072	301,190	629,665
Navigational aids	9,106	2,485	-	-	11,591	73,812
Tugs and floating crafts	325,195	62,591	-	-	387,786	670,641
Quays	2,057,560	364,135	-	-	2,421,695	10,213,673
Furniture and equipment	46,762	3,125	(13,324)	-	36,563	4,398
Plant and equipment	31,612	28,224	-	-	59,836	196,050
Cargo handling equipment	1,741	273	-	-	2,014	2,187
Marine radio equipment	7,485	137	-	-	7,622	878
Mooring buoys and ancillary equipment	23,655	1,104	-	-	24,759	17,563
Motor vehicles and fire-fighting equipment	38,384	9,871	-	-	48,255	40,062
Electrical installation	35,327	4,539	-	-	39,866	11,760
Computer and security equipment	84,165	3,243	(2,004)	-	85,404	11,392
Fencing port area	9,072	-	-	(9,072)	-	-
Sub Total	2,856,145	585,764	(15,328)	-	3,426,581	11,872,081
Land and buildings						
Land	-	-	-	-	-	621,600
Buildings	175,166	38,636	-	-	213,802	502,275
Sub Total	175,166	38,636	-	-	213,802	1,123,875
Total	3,031,311	624,400	(15,328)	-	3,640,383	12,995,956

Notes to the financial statements

For the year ended 30 June 2021

12. INFRASTRUCTURE, PLANT AND EQUIPMENT, LAND AND BUILDINGS (CONTD)

	COST/VALUATION				ACCUMULATED DEPRECIATION				NET BOOK VALUE 30 June 2020 Restated Rs'000
	At 01 July 2019 Restated Rs'000	Additions Rs'000	Disposals Rs'000	At 30 June 2020 Restated Rs'000	At 01 July 2019 Audited Rs'000	Charge for the year Rs'000	Disposals adjustments Rs'000	At 30 June 2020 Audited Rs'000	
Infrastructure, plant and equipment									
Infrastructure	491,897	-	-	491,897	159,667	26,414	-	186,081	305,816
Navigational aids	18,376	3,392	-	21,768	8,172	934	-	9,106	12,662
Tugs and floating crafts	906,332	59,348	(1,500)	964,180	260,218	66,477	(1,500)	325,195	638,985
Quays	13,883,028	4,784	-	13,887,812	1,591,589	465,971	-	2,057,560	11,830,252
Furniture and equipment	51,967	1,209	-	53,176	43,604	3,158	-	46,762	6,414
Plant and equipment	53,328	2,180	-	55,508	27,619	3,993	-	31,612	23,896
Cargo handling equipment	2,894	668	-	3,562	1,440	301	-	1,741	1,821
Marine radio equipment	7,949	887	-	8,836	7,316	169	-	7,485	1,351
Mooring buoys and ancillary equipment	216,100	-	-	216,100	20,016	3,639	-	23,655	192,445
Motor vehicles and fire-fighting equipment	48,900	22,496	(4,225)	67,171	31,852	10,757	(4,225)	38,384	28,787
Electrical installation	47,120	-	-	47,120	31,880	3,447	-	35,327	11,793
Computer and security equipment	94,735	1,855	-	96,590	80,835	3,330	-	84,165	12,425
Fencing port area	5,930	74,997	-	80,927	5,930	3,142	-	9,072	71,855
Sub Total	15,828,556	171,816	(5,725)	15,994,647	2,270,138	591,732	(5,725)	2,856,145	13,138,502
Land and buildings									
Land	621,600	-	-	621,600	-	-	-	-	621,600
Buildings	487,889	6,014	-	493,903	157,117	18,049	-	175,166	318,737
Sub Total	1,109,489	6,014	-	1,115,503	157,117	18,049	-	175,166	940,337
Total	16,938,045	177,830	(5,725)	17,110,150	2,427,255	609,781	(5,725)	3,031,311	14,078,839

Notes to the financial statements

For the year ended 30 June 2021

12. INFRASTRUCTURE, PLANT AND EQUIPMENT, LAND AND BUILDINGS (CONTD)

	COST/VALUATION						30 June 2019 Restated Rs'000
	01 July 2018 Audited Rs'000	Prior year restatement (Note 42) Rs'000	01 July 2018 Restated Rs'000	Additions Rs'000	Disposals Rs'000	Revaluation gains Rs'000	
Infrastructure, plant and equipment							
Infrastructure	489,953	-	489,953	1,944	-	-	491,897
Navigational aids	18,376	-	18,376	-	-	-	18,376
Tugs and floating crafts	906,332	-	906,332	-	-	-	906,332
Quays	13,801,423	-	13,801,423	81,605	-	-	13,883,028
Furniture and equipment	50,383	-	50,383	2,624	(1,040)	-	51,967
Plant and equipment	52,465	-	52,465	1,030	(167)	-	53,328
Cargo handling equipment	2,894	-	2,894	-	-	-	2,894
Marine radio equipment	7,656	-	7,656	293	-	-	7,949
Mooring buoys and ancillary equipment	216,100	-	216,100	-	-	-	216,100
Motor vehicles and fire-fighting equipment	58,264	-	58,264	6,444	(15,808)	-	48,900
Electrical installation	47,120	-	47,120	-	-	-	47,120
Computer and security equipment	92,304	-	92,304	2,431	-	-	94,735
Fencing port area	5,930	-	5,930	-	-	-	5,930
Sub Total	15,749,200	-	15,749,200	96,371	(17,015)	-	15,828,556
Land and buildings							
Land	332,550	38,100	370,650	-	-	250,950	621,600
Buildings	473,870	-	473,870	14,019	-	-	487,889
Sub Total	806,420	38,100	844,520	14,019	-	250,950	1,109,489
Total	16,555,620	38,100	16,593,720	110,390	(17,015)	250,950	16,938,045

Notes to the financial statements

For the year ended 30 June 2021

12. INFRASTRUCTURE, PLANT AND EQUIPMENT, LAND AND BUILDINGS (CONTD)

	ACCUMULATED DEPRECIATION				NET BOOK VALUE
	01 July	Charge	Disposals	30 June	30 June
	2018	for the	adjustments	2019	2019
	Audited	year		Audited	Restated
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Infrastructure, plant and equipment					
Infrastructure	135,693	23,974	-	159,667	332,230
Navigational aids	7,039	1,133	-	8,172	10,204
Tugs and floating crafts	204,631	55,587	-	260,218	646,114
Quays	1,125,759	465,830	-	1,591,589	12,291,439
Furniture and equipment	41,421	3,207	(1,024)	43,604	8,363
Plant and equipment	23,474	4,312	(167)	27,619	25,709
Cargo handling equipment	1,179	261	-	1,440	1,454
Marine radio equipment	6,654	662	-	7,656	633
Mooring buoys and ancillary equipment	16,377	3,639	-	20,016	196,084
Motor vehicles and fire-fighting equipment	36,372	7,754	(12,274)	31,852	17,048
Electrical installation	28,182	3,698	-	31,880	15,240
Computer and security equipment	75,880	4,955	-	80,835	13,900
Fencing port area	5,625	305	-	5,930	-
Sub Total	1,708,286	575,317	(13,465)	2,270,138	13,558,418
Land and buildings					
Land	-	-	-	-	621,600
Buildings	125,785	31,332	-	157,117	330,772
Sub Total	125,785	31,332	-	157,117	952,372
Total	1,834,071	606,649	(13,465)	2,427,255	14,510,790

Notes to the financial statements

For the year ended 30 June 2021

12. INFRASTRUCTURE, PLANT AND EQUIPMENT, LAND AND BUILDINGS (CONTD)

If the following assets were stated on historical cost basis, the amount would be as follows:

At 30 June 2021	Cost Rs'000	Accumulated depreciation Rs'000	Net book values Rs'000
Buildings & Infrastructure	1,173,561	1,040,038	133,523
Navigational aids	24,648	20,487	4,161
Tugs and floating crafts	987,038	517,081	469,957
Quays	9,702,111	2,901,262	6,800,849
Motor vehicles and firefighting equipment	71,394	53,249	18,145
Mooring buoys & other equipment	18,471	18,471	-
	11,977,223	4,550,588	7,426,635

At 30 June 2020	Cost Rs'000	Accumulated depreciation Rs'000	Net book values Rs'000
Buildings & Infrastructure	1,032,069	950,500	81,569
Navigational aids	24,648	20,037	4,611
Tugs and floating crafts	1,135,219	608,249	526,970
Quays	9,702,111	2,525,105	7,177,006
Motor vehicles and firefighting equipment	82,897	44,013	38,884
Mooring buoys & other equipment	18,471	14,275	4,196
Fencing port area	141,492	70,245	71,247
	12,136,907	4,232,424	7,904,483

At 30 June 2019	Cost Rs'000	Accumulated depreciation Rs'000	Net book values Rs'000
Buildings & Infrastructure	1,026,055	809,903	216,152
Navigational aids	21,256	19,484	1,772
Tugs and floating crafts	1,136,719	570,517	566,202
Quays	9,697,327	2,148,948	7,548,379
Motor vehicles and firefighting equipment	64,626	49,659	14,967
Mooring buoys & other equipment	18,471	10,918	7,553
Fencing port area	66,495	66,495	-
	12,030,949	3,675,924	8,355,025

Notes to the financial statements

For the year ended 30 June 2021

13. INVESTMENT PROPERTIES

(a) Fair value model

	2021 Rs'000	Restated 2020 Rs'000	Restated 2019 Rs'000
At 01 July	9,461,404	9,461,404	7,554,000
Restatement of prior years (Note 42)	-	-	49,500
At 01 July - Restated	9,461,404	9,461,404	7,603,500
Reclassifications	20,668	-	-
Revaluation surplus	-	-	1,857,904
At 30 June	9,482,072	9,461,404	9,461,404

(b) The accounting policy of the Authority is to fair value its investment properties by external independent valuers once every 5 years or more frequently if market factors indicate a material change in fair value. Following a valuation exercise, the investment properties were revalued by Mega Design Limited Consulting Engineers and Project Managers and they determine that the fair values of the investment properties as at 30 June 2019 were Rs 9,461 billion. The financial statements have been restated in that respect.

(c) Rental income from investment properties amounted to Rs.186.268 million (2020: Rs. 152.104 million, 2019: Rs.136.563 million). No operating expenses were incurred towards the investment properties during the reporting year.

14. ASSETS UNDER CONSTRUCTION

(a) Assets under construction relate to capital expenditure on incompleting projects of the Authority and their associated retention monies. Included therein are the following projects:

	2021 Rs'000	2020 Rs'000	2019 Rs'000
Construction of a Cruise Terminal Building	321,575	211,152	30,814
Remedial Works to mechanical & electrical installation - Oil Jetty	83,587	73,728	65,445
Retention monies (Note 14 (b))	22,118	13,764	10,754
Installation of new Port Louis Vessel Traffic System	20,055	8,338	-
Breakwater Structures at Fort William	7,876	4,932	-
Slabs over Tunnel at Terminal II	-	2,013	-
Construction of mini soccer pitch & cloakroom	-	1,603	-
High Security Fencing at Terminal II, Mauritius Container Terminal	-	-	38,852
	455,211	315,530	145,865

Notes to the financial statements

For the year ended 30 June 2021

14. ASSETS UNDER CONSTRUCTION (CONTD)

(b) The movement in assets under construction during the year is as follows:

	2021 Rs'000	2020 Rs'000	2019 Rs'000
At 01 July	315,530	145,865	34,388
Additions	131,324	253,644	160,680
Transfer to property, plant and equipment (Note (i))	(13,761)	(97,743)	(59,957)
Retention monies	22,118	13,764	10,754
At 30 June	455,211	315,530	145,865

(i) The costs of projects completed during the year are transferred and shown as additions during the year under infrastructure, plant and equipment.

15. AVAILABLE-FOR-SALE FINANCIAL ASSETS

(a) The Authority's investment in financial assets are classified as available-for-sale and include equity securities.

	2021 Rs'000	2020 Rs'000	2019 Rs'000
At fair value			
Listed	62,414	56,675	71,753
Development & Enterprise Market	145,350	94,500	95,850
Unquoted	429,315	415,708	398,598
Total available-for-sale financial assets	637,079	566,883	566,201

All available-for-sale financial assets are denominated in Mauritian rupees.

(b) The movement in available-for-sale financial assets may be summarised as follows:

	2021 Rs'000	2020 Rs'000	2019 Rs'000
At 01 July	566,883	566,201	580,542
Additions	268	298	1,293
Capital reduction	-	-	(8,460)
Increase/(decrease) in fair value	69,928	384	(7,174)
At 30 June	637,079	566,883	566,201

The Authority has more than 20% interest in the following entity which is unquoted at the reporting date.

Notes to the financial statements

For the year ended 30 June 2021

15. AVAILABLE-FOR-SALE FINANCIAL ASSETS (CONTD)

Froid des Mascareignes Limited

The Authority holds 30% of the share capital of Froid des Mascareignes Limited. Seafood Hub Ltd holds the majority of the share capital of the company and has control over its operating and financial policies. Given that the core activities of the Authority are different from those of Froid des Mascareignes Limited, the Authority does not exercise significant influence over the operating and financial policies of the company.

Thus, the investment in Froid des Mascareignes Limited has been treated as investment in available-for-sale financial assets and accounted for under IPSAS 29 - Financial Instruments: Recognition and Measurement.

16. TRADE AND OTHER PAYABLES

	2021 Rs'000	2020 Rs'000	2019 Rs'000
Amounts owed to contractors for capital projects	-	12,580	14,225
Accrued expenses	121,066	88,608	193,629
Deposits received	798	798	1,649
Rent billed in advance	30,528	76,407	-
Other payables	2,340	2,224	30,502
Retention monies (Note (i))	24,419	13,764	10,754
	179,151	194,381	250,759

(i) Retention monies for the year ended 30 June 2021 represent amounts retained by the Authority on the construction contract awarded to System Building Contracting Ltd - Oil Jetty project, AWL Trading Ltd - Open Steel Shed at MCT and A. Jauferally - Mini soccer pitch and cloakroom.

Retention monies are recognised based on the retention percentage stipulated in the contracts and the amounts certified by the Authority's engineering department.

(ii) The carrying amounts of trade and other payables approximate their fair values.

17. DIVIDENDS PAYABLE TO GOVERNMENT OF MAURITIUS

During the year under review, the Authority has not declared any dividend (2019: Rs.200.000 million). The movement in dividend payable is as follows:

	2021 Rs'000	2020 Rs'000	2019 Rs'000
At 01 July	-	300,000	250,000
Dividend declared	-	-	200,000
Dividend paid	-	(300,000)	(150,000)
At 30 June	-	-	300,000

Notes to the financial statements

For the year ended 30 June 2021

18. BORROWINGS

	2021 Rs'000	2020 Rs'000	2019 Rs'000
Non-current			
Loan - Agence Française de Développement	510,090	670,269	766,448
Current			
Loan - Agence Française de Développement	210,207	199,056	178,574
Total borrowings	720,297	869,325	945,022

(a) Agence Française de Développement ("AFD")

Loan of USD 42,556,800 has been obtained by the Authority from Agence Française de Développement for the extension of Mauritius Container Terminal, dredging and other associated works. Amounts of USD 5 million and USD 14.1 million were disbursed in the year 2013 and 2014 respectively and the balance of USD 23.4 million was received during the year ended 31 December 2015. The loan bears interest at the rates of 3.22% p.a. and 3.59% p.a. and is repayable in equal half yearly instalments over a period of 9 years. The project was completed in the financial year 2017/2018. At 30 June 2021, interest of Rs.31.473 million has been recognised in the statement of financial performance (2020: Rs. 37.655 million, 2019: Rs.40.471 million). The loan is secured and guaranteed by the Government of Mauritius.

(b) The exposure of the Authority's borrowings to interest rate changes and the contractual repricing dates are as follows:

	6 months or less Rs'000	6-12 months Rs'000	1 – 2 years Rs'000	3 – 5 years Rs'000	Over 5 years Rs'000	Total Rs'000
At 30 June 2021	108,188	102,019	204,036	306,054	-	720,297
At 30 June 2020	99,528	99,528	191,506	478,763	-	869,325
At 30 June 2019	89,287	89,287	170,322	596,126	-	945,022

(c) Non-current borrowings can be analysed as follows:

	2021 Rs'000	2020 Rs'000	2019 Rs'000
After one year and before two years	204,036	191,506	170,322
After two years and before five years	306,054	478,763	596,126
Total non-current borrowings	510,090	670,269	766,448

(d) The carrying amounts of borrowings are not materially different from their fair values.

(e) The carrying amounts of the Authority's borrowings are denominated in USD.

Notes to the financial statements

For the year ended 30 June 2021

19. PROVISIONS FOR OTHER LIABILITIES

	2021		Total Rs'000
	Passage benefits Rs'000	Sick leaves Rs'000	
At 01 July	30,940	61,833	92,773
Paid during the year	(10,029)	(17,486)	(27,515)
Charge to statement of financial performance	10,923	13,202	24,125
At 30 June	31,834	57,549	89,383

	2020		2019	
	Passage benefits Rs'000	Sick leaves Rs'000	Total Rs'000	Total Rs'000
At 01 July	27,867	60,044	87,911	88,563
Paid during the year	(8,546)	(13,311)	(21,857)	(27,173)
Charge to statement of financial performance	11,619	15,100	26,719	26,521
At 30 June	30,940	61,833	92,773	87,911

20. RETIREMENT BENEFIT OBLIGATIONS

	2021 Rs'000	2020 Rs'000	2019 Rs'000
Pension benefits			
Amount recognised in the statement of financial position as non-current liabilities	1,376,732	1,158,010	890,094
Amount charged to surplus	79,800	61,822	78,613
Amount charged to other comprehensive income	(171,042)	(243,191)	17,321

(i) The Authority contributes to a defined benefit pension plan. The plan is a final salary plan, which provides benefits to the employees in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on employees' length of service and their salary in the final year leading up to retirement.

(ii) The assets of the fund are held independently and administered by the State Insurance Company of Mauritius Ltd ("SICOM").

(iii) The amounts recognised in the statement of financial position are as follows:

Notes to the financial statements

For the year ended 30 June 2021

20. RETIREMENT BENEFIT OBLIGATIONS (CONTD)

	2021 Rs'000	2020 Rs'000	2019 Rs'000
Present value of funded obligations	2,161,248	1,988,374	1,711,158
Fair value of plan assets	(784,516)	(830,364)	(821,064)
Liability in the statement of financial position	1,376,732	1,158,010	890,094

(iv) The movements in the statement of financial position are as follows:

	2021 Rs'000	2020 Rs'000	2019 Rs'000
At 01 July	1,158,010	890,094	916,669
Total expenses charged in the statement of financial performance	79,800	61,822	78,613
Other comprehensive income charge	171,042	243,191	(17,321)
Past service liability contributions	-	-	(55,000)
Contributions paid	(32,121)	(37,098)	(32,867)
At 30 June	1,376,732	1,158,010	890,094

(v) The movement in the defined benefit obligations during the year is as follows:

	2021 Rs'000	2020 Rs'000	2019 Rs'000
At 01 July	1,988,374	1,711,158	1,714,023
Current service cost	35,232	42,558	34,972
Interest cost	92,205	59,891	99,413
Benefits paid	(129,299)	(107,186)	(108,951)
Liability gain/(loss)	174,736	281,953	(28,299)
At 30 June	2,161,248	1,988,374	1,711,158

(vi) The movement in the fair value of plan assets during the year is as follows:

	2021 Rs'000	2020 Rs'000	2019 Rs'000
At 01 July	830,364	821,064	797,353
Expected return on plan assets	36,426	27,736	44,371
Past service liability contribution	-	-	55,000
Actuarial gain/(loss)	3,694	38,762	(10,978)
Employer contributions	32,120	37,098	32,867
Employee contributions	12,116	13,844	12,190
Benefits paid	(130,204)	(108,140)	(109,739)
At 30 June	784,516	830,364	821,064

Notes to the financial statements

For the year ended 30 June 2021

20. RETIREMENT BENEFIT OBLIGATIONS (CONTD)

(vii) The amounts recognised in the statement of financial performance are as follows:

	2021 Rs'000	2020 Rs'000	2019 Rs'000
Current service cost	35,232	42,558	34,972
Employee contributions	(12,116)	(13,844)	(12,190)
Fund expenses	905	954	789
Net interest expense	55,779	32,154	55,042
Total included in employee benefit expenses	79,800	61,822	78,613

(viii) The amounts recognised in other comprehensive income are as follows:

	2021 Rs'000	2020 Rs'000	2019 Rs'000
Liability (loss)/gain	(174,736)	(281,953)	28,299
Asset gain/(loss)	3,694	38,762	(10,978)
	(171,042)	(243,191)	17,321

(ix) The amounts recognised in the statement of financial performance are as follows:

	2021 %	2020 %	2019 %
Discount rate	4.7	3.5	5.8
Future salary increases	3.0	2.4	4.0
Future pension increases	2.0	1.4	3.0

(x) The assets in the plan and the expected rate of return were:

	2021 Rs'000	%
Fixed interest securities and cash	429,915	54.8
Loans	21,966	2.8
Local equities	92,573	11.8
Overseas bonds and equities	236,140	30.1
Property	3,923	0.5
	784,517	100.0

Notes to the financial statements

For the year ended 30 June 2021

20. RETIREMENT BENEFIT OBLIGATIONS (CONTD)

	2020		2019	
	Rs'000	%	Rs'000	%
Fixed interest securities and cash	512,335	61.7	481,965	58.7
Loans	24,911	3.0	27,916	3.4
Local equities	83,867	10.1	107,559	13.1
Overseas bonds and equities	204,269	24.6	198,697	24.2
Property	4,982	0.6	4,927	0.6
	830,364	100.0	821,064	100.0

(xi) The assets of the plan are invested mainly in government securities, equities and overseas bonds. The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the end of the reporting date. Expected returns on equity and property investments reflect long-term real rates of return experienced in the respective markets.

(xii) The defined benefit pension plan exposes the Authority to actuarial risks such as interest rate risk, investment risk, longevity risk and salary risk.

(xiii) The Authority expects to pay Rs. 32.2 million in contribution to its post-employment benefit plans for the year ended 30 June 2021.

(xiv) The weighted average duration of the defined obligation is 12 years at the end of the reporting date.

21. CAPITAL GRANT

Capital grant of USD 3,772,484 equivalent to Rs. 115.600 million was received from EU-Africa Infrastructure Trust Fund for the project of extension and strengthening of the Mauritius Container Terminal. The project was completed and capitalised under "Infrastructure, plant and equipment" during the year ended 30 June 2018 with an expected life of 25 years. Therefore, 4% of the grant representing Rs.4.623 million has been credited to the statement of financial performance under 'Other non-operating revenue' during the year.

As at 30 June 2021, the amount of capital grant stood at Rs.97.075 million (2020: Rs.101.697 million, 2019: Rs. 106.320 million).

Notes to the financial statements

For the year ended 30 June 2021

22. RESERVES

	Capital Reserve	Reserve Fund	Revaluation Surplus	Investment Fair Value Reserve	Accumulated Surplus	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 01 July 2020	12,200,880	4,749,300	7,830,617	327,180	27,452	25,135,429
Release on disposal of infrastructure, plant and equipment	-	-	12,871	-	(12,871)	-
Surplus for the year	-	-	-	-	233,939	233,939
Other comprehensive income: Revaluation of infrastructure, plant and equipment	-	-	(399,760)	-	-	(399,760)
Actuarial (losses)/gains recognised	-	(171,042)	-	-	-	(171,042)
Decrease in fair value of available-for-sale financial assets	-	-	-	69,928	-	69,928
	-	(171,042)	(399,760)	69,928	233,939	(266,935)
Transfer from accumulated surplus to reserve fund	-	230,000	-	-	(230,000)	-
At 30 June 2021	12,200,880	4,808,258	7,443,728	397,108	18,520	24,868,494
At 01 July 2019	12,200,880	4,482,491	7,835,864	326,796	17,551	24,863,582
Release on disposal of infrastructure, plant and equipment	-	-	(5,247)	-	5,247	-
Surplus for the year	-	-	-	-	514,654	514,654
Other comprehensive income: Actuarial losses recognised	-	(243,191)	-	-	-	(243,191)
Increase in fair value of available-for-sale financial assets	-	-	-	384	-	384
	-	(243,191)	-	384	514,654	271,847
Transfer from accumulated surplus to reserve fund	-	510,000	-	-	(510,000)	-
At 30 June 2020	12,200,880	4,749,300	7,830,617	327,180	27,452	25,135,429

Notes to the financial statements

For the year ended 30 June 2021

22. RESERVES (CONTD)

	Capital Reserve Rs'000	Reserve Fund Rs'000	Revaluation Surplus Rs'000	Investment Fair Value Reserve Rs'000	Accumulated Surplus Rs'000	Total Rs'000
At 01 July 2018	10,255,376	4,240,170	7,589,281	333,970	60,818	22,479,615
Prior year adjustment (Note 42)	87,600	-	-	-	-	87,600
At 01 July 2018 (Restated)	10,342,976	4,240,170	7,589,281	333,970	60,818	22,567,215
Dividends	-	-	-	-	(200,000)	(200,000)
Transaction with the owners	-	-	-	-	(200,000)	(200,000)
Release on disposal of infrastructure, plant and equipment	-	-	(4,367)	-	4,367	-
Surplus for the year	-	-	-	-	377,366	377,366
Other comprehensive income:						
Revaluation surplus on land and investment property	1,857,904	-	250,950	-	-	2,108,854
Actuarial gains recognised	-	17,321	-	-	-	17,321
Decrease in fair value of available-for-sale financial assets	-	-	-	(7,174)	-	7,174
	1,857,904	17,321	250,950	(7,174)	377,366	2,496,367
Transfer from accumulated surplus to reserve fund	-	225,000	-	-	(225,000)	-
At 30 June 2019	12,200,880	4,482,491	7,835,864	326,796	17,551	24,863,582

(a) Capital reserve

Capital reserve comprises the initial fair value of investment properties held to earn rentals. Thus, any increase/decrease in the fair value of the investment properties are accounted in capital reserve in these financial statements.

(b) Reserve fund

	2021 Rs'000	Restated 2020 Rs'000	Restated 2019 Rs'000
Port Development Reserve	1,570,010	1,455,011	1,200,011
General Reserve	1,580,525	1,786,866	1,877,057
Insurance Reserve	1,657,723	1,507,423	1,405,423
	4,808,258	4,749,300	4,482,491

As per Clause 16(3) of the Ports Act 1998, the net surplus of the Authority shall be applied for the creation of a general reserve, specific reserves or the payment of dividends as the Authority may think fit and as the financial situation of the Authority will permit.

Notes to the financial statements

For the year ended 30 June 2021

22. RESERVES (CONTD)

(c) Revaluation surplus

Revaluation surplus represents surplus arising on periodic revaluation of certain Infrastructure, Plant and Equipment, Land and Buildings.

(d) Investment fair value reserve

Investment fair value reserve represents the net surplus of fair value of investments over their costs.

23. VESSEL DUES

	2021 Rs'000	2020 Rs'000	2019 Rs'000
Tug services	219,574	265,777	267,879
Net anchorage fees	214,819	224,921	188,440
Pilotage	61,318	63,295	62,845
Port dues	52,122	96,467	78,397
Miscellaneous fees	15,908	20,802	19,963
Net removal of garbage fees	3,071	3,535	2,200
Net seamen's welfare dues	660	863	728
	567,472	675,660	620,452

24. TRAFFIC DUES

	2021 Rs'000	2020 Rs'000	2019 Rs'000
Bulk cargo/pipeline dues	166,414	161,776	167,082
Quay fees	35,235	48,080	43,329
Miscellaneous	4,469	5,367	9,981
	206,118	215,223	220,392

25. CONTAINER DUES

	2021 Rs'000	2020 Rs'000	2019 Rs'000
Quay Fees - Import	239,167	218,949	229,921
Quay Fees - Export	60,026	128,518	141,887
Transshipment	135,702	93,000	94,177
Repositioning of containers	2,838	1,638	1,911
	437,733	442,105	467,896

Notes to the financial statements

For the year ended 30 June 2021

26. INVESTMENT INCOME

	2021 Rs'000	2020 Rs'000	2019 Rs'000
Investment income represents income from:			
Quoted investments	3,511	5,490	7,189
Unquoted investments	17,382	33,723	16,895
	20,893	39,213	24,084

27. FINANCE INCOME

	2021 Rs'000	2020 Rs'000	2019 Rs'000
Interest on:			
Fixed deposits	52,045	75,837	59,268
Advances to employees	1,218	1,168	1,180
Loans receivable	2,392	4,340	5,420
	55,655	81,345	65,868

28. RENTAL INCOME

	2021 Rs'000	2020 Rs'000	2019 Rs'000
Properties held to earn rentals	186,268	152,104	136,563

Rental income is derived from the lease of land in the Port Area. Under the Ports Act 1998, all land within a port shall vest and be deemed to be the property of the Authority. MPA has recognised the land at their fair values in the financial statements with effect from 1 January 2014.

29. OTHER NON-OPERATING INCOME

	2021 Rs'000	2020 Rs'000	2019 Rs'000
Insurance claims received	18,171	101	236
Pension contribution refunded by Cargo Handling Corporation Limited	1,156	1,913	1,381
Others	1,145	-	-
Release of capital grant (Note 21)	4,623	4,623	4,623
	25,095	6,637	6,240

Notes to the financial statements

For the year ended 30 June 2021

30. EMPLOYEE BENEFIT EXPENSES

	2021 Rs'000	2020 Rs'000	2019 Rs'000
Salaries, wages and allowances	521,961	513,148	466,771
Pension costs - defined benefit plans	79,800	61,822	78,613
Social security costs	18,004	3,185	2,737
	619,765	578,155	548,121

31. ADMINISTRATIVE EXPENSES

	2021 Rs'000	2020 Rs'000	2019 Rs'000
Professional and legal fees	10,074	27,121	10,215
General overheads	3,052	4,264	7,232
Provision for bad debts	-	2,743	-
Telephone and postage expenses	2,819	2,883	2,972
Insurance	3,827	3,239	2,782
Overseas travelling	937	2,377	3,573
Office supplies	6,095	5,368	6,078
Subscription fees	1,757	1,732	1,284
Employee welfare expenses	987	3,899	1,870
Board member fees	980	980	1,315
Provision for impairment of inventories	3,018	-	-
Other expenses	9,174	5,883	10,681
	42,720	60,489	48,002

32. SURPLUS FOR THE YEAR

	2021 Rs'000	2020 Rs'000	2019 Rs'000
Surplus for the year is arrived at after charging:			
Depreciation and amortisation	625,796	610,623	610,214
Employee benefit expenses (Note 30)	619,765	578,155	548,121
Administrative expenses	42,720	60,489	48,002
Sundry operating expenses	23,936	15,789	17,879
Running and repairs of equipment expenses	93,794	82,034	80,067
Revaluation loss on infrastructure, plant and equipment	67,623	-	-
Loss on disposal of infrastructure, plant and equipment	23,000	-	-
	1,496,634	1,347,090	1,304,283

Notes to the financial statements

For the year ended 30 June 2021

33. OTHER COMPREHENSIVE INCOME

30 June 2021	Revaluation surplus Rs'000	Investment fair value Rs'000	Reserve fund Rs'000
Revaluation loss on Infrastructure plant and equipment (Note 12)	(399,760)	-	-
Increase in fair value of available-for-sale financial assets (Note 15(b))	-	69,928	-
Actuarial loss recognised (Note 20 (viii))	-	-	(171,042)
	(399,760)	69,928	(171,042)

30 June 2020		Investment fair value Rs'000	Reserve fund Rs'000
Increase in fair value of available-for-sale financial assets (Note 15(b))		384	-
Actuarial loss recognised (Note 20 (viii))		-	(243,191)
		384	(243,191)

30 June 2019	Capital reserve Rs'000	Revaluation surplus Rs'000	Investment fair value Rs'000	Reserve fund Rs'000
Revaluation of investment property	1,857,904	-	-	-
Revaluation of land	-	250,950	-	-
Decrease in fair value of available-for-sale financial assets (Note 15(b))	-	-	(7,174)	-
Actuarial gain recognised (Note 20 (viii))	-	-	-	17,321
	1,857,904	250,950	(7,174)	17,321

34. RECEIVABLE FROM CARGO HANDLING CORPORATION LTD ("CHCL")

At reporting date, the Authority had a receivable of Rs 78.6 million (2020: Rs. 104.0million, 2019: Rs. 141.9) from CHCL analysed as follows:

	2021 Rs'000	2020 Rs'000	2019 Rs'000
Included in trade and other receivables (Note 7)	13,433	13,255	14,091
Current portion of loans receivable (Note 8)	31,830	30,160	48,221
Non-current portion of loans receivable (Note 8)	33,375	60,596	79,669
	78,638	104,011	141,981

Notes to the financial statements

For the year ended 30 June 2021

35. NOTES TO STATEMENT OF CASH FLOWS

	2021 Rs'000	2020 Rs'000	2019 Rs'000
Cash from operations			
Surplus for the year	233,939	514,654	377,366
Adjustments for:			
Finance costs	31,473	37,656	40,471
Depreciation and amortization	625,796	610,623	610,214
Investment income	(20,893)	(39,214)	(24,084)
Interest income	(55,655)	(81,345)	(65,868)
Capital grant	(4,622)	(4,623)	(4,623)
Loss/(gain) on disposal of infrastructure, plant and equipment	23,000	(2,082)	(2,170)
Loss on revaluation of infrastructure, plant and equipment	67,623	-	-
Increase in provision for retirement benefit obligations	47,680	24,723	9,255
Exchange loss on borrowings	43,975	106,345	21,184
Provision for obsolete inventories	3,018	-	-
Exchange gain on loans receivable	(3,714)	(11,215)	(2,172)
	991,620	1,155,522	959,573
Changes in working capital:			
Inventories	1,249	5,178	497
Trade and other receivables	34,923	10,642	7,336
Trade and other payables and provision for other liabilities	(18,620)	(65,279)	(498,017)
Cash from operations	1,009,172	1,106,063	469,389

Notes to the financial statements

For the year ended 30 June 2021

36. RELATED PARTY TRANSACTIONS

	Rendering of services Rs'000	Sales of services Rs'000	Finance income Rs'000	Repayment of loans receivable Rs'000	Investment in shares Rs'000	Loans receivable Rs'000	Amount owned by related party Rs'000
Transactions - 2021							
Cargo Handling Corporation Limited	-	155,750	2,129	25,016	-	65,205	13,433
Transactions - 2020							
Cargo Handling Corporation Limited	-	155,751	4,235	36,544	-	90,756	13,255
Transactions - 2019							
Cargo Handling Corporation Limited	-	155,751	5,905	42,608	-	127,890	14,091

Key management personnel compensation

	2021 Rs'000	2020 Rs'000	2019 Rs'000
Salaries and short term employee benefits	13,549	13,647	13,506
Post-employment benefits	1,204	1,204	1,385
	14,753	14,851	14,891

Loan receivable from Cargo Handling Corporation Limited represents advance for the purchase of cargo handling equipment (rail mounted quay cranes). The loan is repayable in 8 equal yearly instalments. The rate of interest on this loan is 3% p.a.

The Authority has a concession agreement with Cargo Handling Corporation Limited for an amount of USD 462,717 per month at a capped exchange rate of Rs.28.05 per USD for the year ended 30 June 2021. The total amount of concession fee recognised during the year has been to the order of Rs.155.750 million (2020: Rs.155.751 million, 2019: Rs. 155.751 million).

37. FUTURE CAPITAL EXPENDITURE

The Board has approved capital expenditure for an aggregate amount of Rs.5.6 billion for the next five years for new projects and those which are in progress. The main projects are:

- Cruise Terminal Building;
- Procurement of Tugs & Floating Crafts;
- Maritime Single Window System;
- Construction of breakwater & Fishing Port at Fort William;
- Implementation of a new CCTV System; and
- Implementation of IT system.

Notes to the financial statements

For the year ended 30 June 2021

38. COMMITMENTS

Capital commitments

Capital expenditure contracted for at the end of the reporting period but not yet incurred is as follows:

	2021 Rs'000	2020 Rs'000	2019 Rs'000
Infrastructure, Plant and Equipment	547,132	603,099	730,096

39. CONTINGENCIES

No provision has been made for any liability that may arise for damages through negligence, if any.

Legal claims

A lessee, Beta Cement Ltd, has commenced an action against the Authority on the ground that there has been breach of contract for failing to sign the deed for the grant of an industrial lease. The estimated pay-out is Rs.417.352 million, should the action be successful. The plaint has been lodged before the Supreme Court of Mauritius on 9 September 2015. At this stage, it is not practicable to state the timing of the payment, if any.

The Authority has been advised by the legal counsel, the State Law Office that it is only possible, but not probable, that the action will succeed. Accordingly, no provision for any liability has been recognised in these financial statements.

Except for Pension Plans, no provision has been made in these financial statements for any liability that may arise under the Labour Act.

As at the date of our report, we are not aware of any other potential claims entered against Mauritius Ports Authority which should be disclosed as contingent liabilities.

40. OPERATING LEASE ARRANGEMENTS

The Authority as lessor

	2021 Rs'000	2020 Rs'000	2019 Rs'000
Rental income earned from leased properties	186,268	152,104	136,563

Operating lease contracts contain market review clause:

The lessees do not have an option to purchase the property at the expiry of the lease period.

41. BUDGETARY AND CLASSIFICATION BASIS

The estimates are based on certain assumptions such as past trends in cargo, container, vessel traffic, exchange rates, operating requirement of the Authority and future port development projects. The budgets are prepared on an accrual basis. In the approved budget, items are classified on the same basis as is adopted in the Financial Statements by economic nature.

Notes to the financial statements

For the year ended 30 June 2021

42. PRIOR YEARS RESTATEMENTS

Land and investment properties amounting to Rs. 38.100 million and Rs. 49.500 million respectively held by the Authority in Rodrigues Island were never recorded in the prior years' financial statements. As such, these financial statements were adjusted to reflect the fair value of these land and investment properties.

Moreover, the accounting policies of the Authority is to fair value its land and investment properties once every 5 years or more frequently if market factors indicate a material change in fair value. During the year ended 30 June 2020, the Authority appointed Mega Design Limited Consulting Engineers and Project Managers as external valuer and the fair value of the land and investment properties were increased by Rs. 1.858 billion and Rs 250.95 million respectively as at 30 June 2019. Consequently, the financial statements for the years ended 30 June 2020 and 30 June 2019 were amended accordingly.

	As previously reported Rs'000	Effect of adjustment Rs'000	Restated amount Rs'000
Statement of financial position			
01 July 2019			
Capital reserve	10,255,376	87,600	10,312,976
Investment Properties	7,554,000	49,500	7,603,500
Land and Buildings	332,550	38,100	370,650
30 June 2019			
Capital reserve	10,255,376	1,945,504	12,200,880
Investment Properties	7,554,000	1,907,404	9,461,404
Land and Buildings	663,322	289,050	952,372
30 June 2020			
Capital reserve	10,255,376	1,945,504	12,200,880
Investment Properties	7,554,000	1,907,404	9,461,404
Land and Buildings	651,287	289,050	940,337
Statement of financial performance			
30 June 2019			
<i>Other comprehensive income:</i>			
Revaluation surplus on Investment property	-	1,857,904	1,857,904
Revaluation surplus on Land	-	250,950	250,950
	-	2,108,854	2,108,854

Notes to the financial statements

For the year ended 30 June 2021

43. OTHER RISKS

Legal risk

Legal risk is the risk that the business activities of the Authority have unintended or unexpected legal consequences.

It includes risk arising from:

- Inadequate documentation, legal or regulatory incapacity, insufficient authority of a counterparty and uncertainty about the validity or enforceability of a contract in counterparty insolvency;
- Actual or potential violations of laws or regulations (including activity unauthorised for the Authority and which may attract a civil or criminal fine or penalty);
- Failure to protect the Authority's property (including its intellectual property); and
- The possibility of civil claims (including acts or other events which may lead to litigation or other disputes).

The Authority identifies and manages legal risk through effective use of its internal and external advisers.

Business risk

Business risk is the risk associated with operations and marketing activities of the Authority. Such risks can be associated with demand variability, sales price variability, competitor threat, operational leverage, portfolio risk and product development risk to the extent that they are independent of market risk. Business risk can also arise from the potential that inadequate information systems, operational problems, breaches in internal controls, fraud or unforeseen catastrophes will result in unexpected losses. Business risk is closely monitored.

Operational risk

Operational risk is the risk of direct or indirect losses arising from inadequate or failed internal processes, people and technology and from external events. Management of operational risk is closely monitored.

Environment and strategy risks

Environment and strategy risks arise when there are forces that could either put the Authority out of business or significantly change the fundamentals that drive the Authority's overall objectives and strategies.

Environment risk may arise from:

- failure to understand customers' needs;
- failure to anticipate or react to actions of competitors; and
- overdependence on vulnerable suppliers.

An assessment of the environment and strategy risks also included on:

- Changes in laws/regulations and actions by the local regulators can result in increased pressures and significantly affect the Authority's ability to efficiently and competitively conduct business.
- Risks which make the industry less attractive as a result of changes in:
 - Key factors for competitive success within the industry, including significant opportunities and threats;
 - Capabilities of existing and potential competitors; and
 - Authority's strengths and weaknesses relative to present and future competitors.

Notes to the financial statements

For the year ended 30 June 2021

44. FAIR VALUE ESTIMATION

44.1 Fair value estimation for financial instruments

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Authority is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily quoted equity investments classified as available-for-sale.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2 otherwise they are included in level 3.

The following table shows the Levels within the hierarchy of financial assets measured at fair value on a recurring basis at 30 June 2021, 30 June 2020 and 30 June 2019:

	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At 30 June 2021				
Available-for-sale financial assets	207,764	40,191	389,124	637,079
At 30 June 2020				
Available-for-sale financial assets	151,175	32,945	382,763	566,883
At 30 June 2019				
Available-for-sale financial assets	167,603	36,008	362,590	566,201

There were no transfers between Level 1 and Level 2 during the year ended 30 June 2021, 30 June 2020 and 30 June 2019.

The Authority has investments in both quoted and unquoted companies. The investments are measured at fair value based on their quoted prices or generally acceptable valuation techniques. Where the fair value could not be determined, the investments are measured at cost.

Level 3 fair value measurements

	2021	Restated	Restated
	Rs'000	2020	2019
	Rs'000	Rs'000	Rs'000
At 01 July	382,763	362,590	356,916
Additions during the year	-	-	987
Capital reduction	-	-	(8,460)
Fair value gains for the year	6,361	20,173	13,147
At 30 June	389,124	382,763	362,590

Notes to the financial statements

For the year ended 30 June 2021

44.2 Fair value estimation for non-financial instruments

The following table shows the levels within the hierarchy of non-financial assets measured at fair value:

30 June 2021	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
Infrastructure, plant and equipment	-	-	11,872,081	11,872,081
Land and buildings	-	-	1,123,875	1,123,875
Investment property	-	-	9,482,072	9,482,072

30 June 2020 - Restated	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
Infrastructure, plant and equipment	-	-	13,138,502	13,138,502
Land and buildings	-	-	940,337	940,337
Investment property	-	-	9,461,404	9,461,404

30 June 2019 - Restated	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
Infrastructure, plant and equipment	-	-	13,558,418	13,558,418
Land and buildings	-	-	952,372	952,372
Investment property	-	-	9,461,404	9,461,404

The accounting policy of the Authority is to revalue the Infrastructure, Plant and Equipment, Land and Buildings by external independent valuers once every 5 years or more frequently if market factors indicate a material change in fair value. The last valuation was carried out in 2014. During the year under review, Infrastructure, Plant and Equipment, Land and Buildings and investment properties have been revalued by Mega Design Limited Consulting Engineers and Project Managers.

For any class of asset, the most appropriate method has been chosen, taking into consideration:

- The terms and purpose of the valuation;
- The nature of the asset being valued;
- The method used by participants in a market transaction; and
- The availability of basic data pertaining to the asset.

Where appropriate, a combination of approaches may be used to arrive at the most accurate estimation of a Fair Value.

The Depreciated Replacement Cost (DRC) is the most common valuation approach for specialised buildings and infrastructure assets. The methodology includes defining the asset component level, establishing the asset register, assessing the replacement costs and useful economic lives, determining the appropriate depreciation method and testing the assets for physical and functional impairment.

Land properties and non-specialised buildings have been assessed using an income capitalised approach and then apportioned using a market-based approach to assess the land component.

Notes to the financial statements

For the year ended 30 June 2021

44.2 Fair value estimation for non-financial instruments (Contd)

Most of the buildings owned by MPA are considered as specialised by virtue of their uniqueness in that the probability of them being sold in the open market as individual items is remote, although they may have some intrinsic market value in being located within a commercial area. These buildings have been assessed using depreciated replacement cost and adjustments made on account of their market potential.

For all the other infrastructure assets of MPA, the depreciated replacement cost approach has been used. The valuation basis used for each class of property, plant and equipment is elaborated below:

The values placed on the individual items of plant & machinery and equipment have been based on the principles of “Fair Value - Installed” as per International Valuation Standards methodology and have been determined by implementing standard appraisal procedures described herein before, taking into consideration the following:

- Recent available purchase price
- Comparable data gathered in the form of price quotations for similar items from suppliers
- Discussions with local representatives and installation contractors

The level 3 fair value reconciliation is shown in Notes 12 and 13 respectively.

45. EVENTS AFTER REPORTING DATE

There have been no significant events after the reporting date which require disclosures or amendments to the financial statements.



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