ANNUAL REPORT

FINANCIAL YEAR 2021-2022

MPA
Mauritius Ports Authority




CONTENTS

Chairman's Report

> "The MPA Cruise Terminal will be a landmark for the capital city Port Louis, as well as for the country, including the Indian Ocean region."

I am pleased to report on the operational and financial performances of the MPA for Financial Year 2021/2022. The MPA has been moving forward to capitalize on growth opportunities, whilst improving its operational and financial efficiency.

Notwithstanding the number of challenges experienced as a result of the adverse global economic climate and downturn in international trade, the MPA has been able to subsist this situation of economic disturbance with the support of all stakeholders.

The financial and operational results of the Authority have been affected by both the COVID-19 Pandemic and the Ukraine War. Total Cargo traffic handled at the port stood at around 7.7 million tonnes per annum for the past two financial years, i.e FY 2020/2021 and FY 2021/2022. Total container traffic has witnessed a drop of 11.9% to reach 408,145 TEUs in FY21/22 as compared to 463,044 TEUs in FY20/21. For the period under review, transhipment container traffic experienced a negative growth of 25.3%, whilst captive container traffic increased by around 1.8%.

The MPA has developed sound financial strategies to gear business activities with a view to mitigate negative impacts on its finances. For FY 2021/2022 a net surplus of Rs 313.9 million has been realized.

Over the years, the Port has undergone extensive modernization programmes and in line with its roadmap for the transformation of Port Louis Harbour into a smarter port, the Authority has recently installed a modern and state-of-the-art Vessel Traffic System (VTS) which consists of 2 radars and an Automatic Identification System. The main purpose of the VTS is to regulate traffic of vessels and ensure safety and security in the Port area from incoming and outgoing vessels. Moreover, this system also allows shipping movements in the port to be monitored.

Furthermore, the commissioning of the MPA Cruise Terminal will be completed by early 2023. This groundbreaking structure will be a landmark for the capital city Port Louis, as well as for the country, including the Indian Ocean region. This will no doubt bring additional value for the rejuvenation of the cruise tourism industry in Mauritius.

The Authority will additionally proceed with the development of an Island Container Terminal with the aim of protecting the Mauritius Container Terminal against wave and swell actions, as well as increasing capacity of the container traffic beyond 2040. On account of the massive investment to the tune of some USD 835 million required, the proposed development is planned to be implemented under a PPP arrangement.

MPA's core philosophy is growth and regional competitiveness which is underscored by the port's strategic location in the Indian Ocean. The Authority as such, continually aims at providing high service standard commensurate with the expectations of clients.

I wish to express my sincere thanks to Hon. Pravind Kumar Jugnauth, Prime Minister, Minister of Defence, Home Affairs and External Communications, Minister for Rodrigues, Outer Islands and Territorial Integrity for his continuous support to the Authority's endeavour.

A note of thanks also goes to the officers of the Prime Minister's Office (External Communications Division) for their valuable assistance.

Our highly esteemed partners, stakeholders and the port community have stood by us during challenging times and their cooperation is deeply appreciated.

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

Last but not least, I wish to thank all the staff of the Authority and the Unions for their dedication and valuable support for the 'MPA to be the leading Authority to drive Mauritius as the preferred regional Maritime Gateway'.

Chairman
Ashit Kumar Gungah

PORT TRADE PERFORMANCE
Key Figures at a Glance

Total Trade Volume
7.7 Million tonnes (-1.3%)

Containerised Cargo	3.6 Million tonnes	(-7.3%)
Dry Bulk Cargo	1.8 Million tonnes	(-2.8%)
Liquid Bulk Cargo	2.1 Million tonnes	(+11.4%)
Fish Traffic	100,560 tonnes	(+1.6%)

Total Container Traffic
408,145 TEUs (-11.9%)

Captive Container	233,971 TEUs	(+1.8%)
Transhipment Container Inwards	174,174 TEUs	(-25.3%)
Transhipment Container Outwards	179,404 TEUs	(-21.1%)
Total Container Throughput (incl. paid restows)	**603,792 TEUs**	**(-13.4%)**

Total Vessel Traffic

2,578 CALLS (-1.9%)

Containerised Vessels	434 calls	(-12.1%)
Fishing Vessels	695 calls	(-7.6%)

Cruise Traffic

2 CALLS

Total Bunker Traffic

594,818 tonnes (-3.1%)

Pipeline	91,017 tonnes	(+37.3%)
Barges	503,801 tonnes	(-8.0%)

CORPORATE INFORMATION
YEAR ENDED 30 JUNE 2022

Board of Directors

Ashit Kumar Gungah (Chairperson) (As from 24 August 2022)
Shankhnad Ghurburrun (Chairperson) (Up to 18 August 2022)
Kantabye Babajee (As from 08 August 2022)
Asish Kumar Jhoerreea (As from 09 March 2022 up to 07 August 2022)
Anandee Pawan (Up to 28 February 2022)
Kechan Balgobin (Up to 21 July 2021)
Aruna Devi Bunwaree Ramsaha (As from 04 February 2022)
Shekur Suntah (Up to 03 February 2022)
Om Kumar Dabidin
Vailamah Pareatumbee
Vivekanand Ramburun

Board Committees

Nomination & Staff Committee
Kantabye Babajee (Chairperson) (As from 05 August 2022)
Asish Kumar Jhoerreea (Chairperson) (As from 23 March 2022 up to 15 July 2022)
Anandee Pawan (Chairperson) (As from 10 August 2021 up to 28 February 2022)
Kechan Balgobin (Chairperson) (As from 01 July 2021 up to 09 July 2021)
Om Kumar Dabidin
Aruna Devi Bunwaree Ramsaha (As from 04 February 2022)
Shekur Suntah (Up to 03 February 2022)

Audit Committee
Vivekanand Ramburun (Chairperson)
Om Kumar Dabidin
Anandee Pawan (As from 10 August 2021 up to 28 February 2022)
Kechan Balgobin (As from 26 July 2022 up to 26 July 2022)

Finance and Investment Committee
Vailamah Pareatumbee (Chairperson)
Shankhnad Ghurburrun (Up to 12 August 2022)
Ourmilla Ramkurrun - Sepaul (As from 10 August 2021)
Kechan Balgobin (Up to 14 July 2021)
Aruna Devi Bunwaree Ramsaha (As from 18 February 2022)
Shekur Suntah (Up to 24 January 2022)

Land Lease Management Committee
Aruna Devi Bunwaree Ramsaha (As from 04 February 2022)
Shekur Suntah (Up to 03 February 2022)
Ourmilla Ramkurrun - Sepaul (As from 11 August 2021)
Kechan Balgobin (As from 04 February 2021 up to 10 August 2021)
Vailamah Pareatumbee

Co-opted members
Doorgesh Kumar Manikaran
Roshni Bissessur
Vedacharya Vyas Sharma Chuckun

Corporate Governance Committee
Om Kumar Dabidin (Chairperson)
Vivekanand Ramburun

Port Licensing Committee
Aruna Devi Bunwaree Ramsaha (As from 04 February 2022)
Shekur Suntah (Up to 03 February 2022)
Ourmilla Ramkurrun - Sepaul (As from 11 August 2021)
Kechan Balgobin (Up to 10 August 2021)
Vailamah Pareatumbee

Co-opted members
Captain Kavidev Newoor (As from 01 January 2022)
Captain Louis Benoit Barbeau (Up to 01 January 2022)
Shakeel Goburdhone
Gowraj Angad

Senior Executives

Shekur Suntah - Director-General (Up to 03 February 2022)
Aruna Devi Bunwaree Ramsaha – Ag. Director-General (As from 04 February 2022)
Shakeel Goburdhone - Deputy Director-General (Technical and Operational Services)
Captain Louis Benoit Barbeau – Port Master (Up to 02 January 2022)
Captain Kavidev Newoor – Ag. Port Master (As from 01 January 2022)
Ravishankar Woottum - Director, IT Services
Shreeganesh Ganga - Director, Finance
Chandradutt Rogbeer - Corporate Auditor (Retired on 28 February 2022)
Sandesh Seelochun - Director, Port Development
Mukhram Moloo - Director, Human Resources (Retired on 02 September 2022)
Nomita Seebaluck - Ag. Director, Port Operations
Basdeo Bholanath Dhunnoo - Senior Manager, Technical Services
Priyathama Seebaruth - Senior Manager, Procurement & Supply
Gowraj Angad - Senior Manager, Estate Management

Head Office

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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 2022

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 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
Ashit Kumar Gungah

Ag. Director-General
Aruna Devi Bunwaree Ramsaha (Mrs)

Date: 25 Nov 2022

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 2022**

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 (Pages 11 to 12)

- During the financial year 2021/22, 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 Board sub-committees (Pages 15 to 21)

- 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.

2. Principle 4: Board evaluation (Page 31)

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

Chairman
Ashit Kumar Gungah

Ag. Director-General
Aruna Devi Bunwaree Ramsaha (Mrs)

Date: 25 Nov 2022

CORPORATE GOVERNANCE REPORT
YEAR ENDED 30 JUNE 2022

Principle 1 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 2022 (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 and Investment 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.

Board Composition

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

	Names	Category
Chairperson	Mr. Ashit Kumar Gungah (As from 24 August 2022) Mr. Shankhnad Ghurburrun (Up to 18 August 2022)	Non-Executive Director Non-Executive Director
Members	Mrs. Kantabye Babajee - Representative of External Communications Division of the Prime Minister's Office (As from 08 August 2022) Mr. Asish Kumar Jhoerreea - Representative of External Communications Division of the Prime Minister's Office (As from 09 March 2022 up to 07 August 2022)	Non-Executive Director

CORPORATE GOVERNANCE REPORT
YEAR ENDED 30 JUNE 2022 (CONTD)

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

Board Composition (Contd)

	Names	Category
Members	Mrs. Anandee Pawan, Representative of External Communications Division of the Prime Minister's Office (Up to 28 February 2022)	Non-Executive Director
	Mrs. Aruna Devi Bunwaree Ramsaha – Ag. Director-General, Mauritius Ports Authority (As from 04 February 2022)	Executive Director
	Mr. Shekur Suntah - Director-General, Mauritius Ports Authority (Up to 03 February 2022)	Executive Director
	Mr. Om Kumar Dabidin – Secretary for Home Affairs, Prime Minister's Office	Non-Executive Director
	Mrs. Vailamah Pareatumbee – Director Economic and Finance, Ministry of Finance, Economic Planning and Development	Non-Executive Director
	Mr. Vivekanand Ramburun – Director of Customs, Mauritius Revenue Authority	Non-Executive Director
Secretary to the Board	Mr. Shreeganesh Ganga – Director Finance	

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 3 males and 3 females and are all ordinarily residents of Mauritius.

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.

CORPORATE GOVERNANCE REPORT
YEAR ENDED 30 JUNE 2022 (CONTD)

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

Board of Directors (Contd)

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. Ashit Kumar Gungah 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, Mrs. Aruna Devi Bunwaree Ramsaha, in her capacity as Ag. Director-General, is responsible for the executive management of MPA's operations and for developing the long-term strategy and vision of the Authority. Mrs. Aruna Devi Bunwaree Ramsaha also ensures effective communication with the stakeholders.

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.

CORPORATE GOVERNANCE REPORT
YEAR ENDED 30 JUNE 2022 (CONTD)

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

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 20 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.

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 and Investment 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.

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.

CORPORATE GOVERNANCE REPORT
YEAR ENDED 30 JUNE 2022 (CONTD)

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

Nomination & Staff Committee (Contd)

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	Mrs. Kantabye Babajee – Representative of External Communications Division of the Prime Minister's Office (As from 05 August 2022) Mr. Asish Kumar Jhoerreea – Representative of External Communications Division of the Prime Minister's Office (As from 23 March 2022 up to 15 July 2022) Mrs. Anandee Pawan – Representative of External Communications Division of the Prime Minister's Office (As from 10 August 2021 up to 28 February 2022) Mr. Kechan Balgobin – Representative of External Communications Division of the Prime Minister's Office (As from 01 July 2021 up to 09 July 2021)
Members	Mr. Om Kumar Dabidin – Secretary for Home Affairs, Prime Minister's Office Mrs. Aruna Devi Bunwaree Ramsaha – Ag. Director-General, Mauritius Ports Authority (As from 04 February 2022) Mr. Shekur Suntah – Director-General, Mauritius Ports Authority (Up to 3 February 2022)
Secretary	Mrs. Prameshwary Gungaram – Manager Human Resources

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

CORPORATE GOVERNANCE REPORT
YEAR ENDED 30 JUNE 2022 (CONTD)

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

Audit Committee

The Audit Committee is 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 operation 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 2022 (CONTD)

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

Risk Management Function (Contd)

At the date of this report, the Board was composed 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 up to 28 February 2022) Mr. Kechan Balgobin – Representative of External Communications Division of the Prime Minister's Office (As from 26 July 2022 up to 26 July 2022)
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 five times during the financial year 2021/2022 to review the financial statements of the MPA and to receive reports of the work conducted by the Corporate Auditor and the Independent External Auditors.

Finance and Investment Committee

The attributes of the Finance and Investment 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.

CORPORATE GOVERNANCE REPORT
YEAR ENDED 30 JUNE 2022 (CONTD)

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

Finance and Investment Committee (Contd)

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

	Names
Chairperson	Mrs. Vailamah Pareatumbee, Director Economic & Finance, Ministry of Finance, Economic Planning & Development
Members	Mr. Shankhnad Ghurburrun, Chairman MPA (Up to 12 August 2022) Mrs. Ourmilla Ramkurrun – Sepaul, Representative of External Communications Division of the Prime Minister's Office (As from 10 August 2021) Mr. Kechan Balgobin, Representative of External Communications Division of the Prime Minister's Office (Up to 14 July 2021) Mrs. Aruna Devi Bunwaree Ramsaha, Ag. Director-General (As from 04 February 2022) Mr. Shekur Suntah, Director – General (Up to 3 February 2022)
Secretary	Mr. Adesh Sharma Soyjaudah, Manager, Financial Accounting

The Finance and Investment Committee met eighteen times during the year under review.

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.

CORPORATE GOVERNANCE REPORT
YEAR ENDED 30 JUNE 2022 (CONTD)

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

Land Lease Management Committee (Contd)

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

	Names
Chairperson	Mrs. Aruna Devi Bunwaree Ramsaha, Ag. Director-General (As from 04 February 2022) Mr. Shekur Suntah – Director – General (Up to 03 February 2022)
Members	Mrs. Ourmilla Ramkurrun – Sepaul – Representative of External Communications Division of the Prime Minister's Office (As from 11 August 2021) Mr. Kechan Balgobin – Representative of External Communications Division of the Prime Minister's Office (From 04 February 2021 to 10 August 2021) Mrs. Vailamah Pareatumbee – Director Economic & Finance, Ministry of Finance, Economic Planning & Development
Co-opted Members	Mr. D. K. Manikaran – Senior State Attorney, State Law Office Mrs. Roshni Bissessur – Deputy Director, Valuation & Real Estate Consultancy Services Mr. Vedacharya Vyas Sharma Chuckun – Senior Surveyor, Ministry of Housing & Lands
Secretary	Ms. Simla Chotoree – Survey Technician, Estate Management

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

CORPORATE GOVERNANCE REPORT
YEAR ENDED 30 JUNE 2022 (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
Members	Mr. Vivekanand Ramburun – Director of Customs, Mauritius Revenue Authority
Secretary	Ms. Sushila Munusami – 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 two times during the year under review.

CORPORATE GOVERNANCE REPORT
YEAR ENDED 30 JUNE 2022 (CONTD)

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

Port Licensing Committee

The Port Licensing Committee is set up as a subcommittee of the Board since 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	Mrs. Aruna Devi Bunwaree Ramsaha, Ag. Director-General (As from 04 February 2022) Mr. Shekur Suntah, Director – General (Up to 03 February 2022)
Members	Mrs. Ourmilla Ramkurrun – Sepaul, Representative, External Communications Division of the Prime Minister's office (As from 11 August 2021) Mr. Kechan Balgobin, Representative, External Communications Division of the Prime Minister's office (Up to 10 August 2021) Mrs. Vailamah Pareatumbee, Director Economic & Finance, Ministry of Finance, Economic Planning & Development
Co-opted Members	Captain Kavidev Newoor, MPA (As from 01 January 2022) Captain Louis Benoit Barbeau, MPA (Up to 01 January 2022) Mr. Shakeel Goburdhone, Deputy Director General (TOS) Mr. Gowraj Angad, Senior Manager, Estate Management, MPA
Secretary	Ms. Devina Ramsamy

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

Explanation on Board 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.

CORPORATE GOVERNANCE REPORT

YEAR ENDED 30 JUNE 2022 (CONTD)

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

Attendance at Board and Committee meetings

There were 13 scheduled meetings of the Board and 7 special meetings of the Board totaling 20 meetings for the period from 01 July 2021 to 30 June 2022. 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 and Investment Committee	Land Lease Management Committee	Corporate Governance Committee	Port Licensing Committee
Total Number of Meetings		20	19	5	18	9	2	7
Chairperson								
Mr. Shankhnad Ghurburrun	NED	19	-	-	6	-	-	-
Mr. Om Kumar Dabidin (Ag. Chairperson)	NED	1	-	-	-	-	-	-
Representative of the External Communications Division of the Prime Minister's Office								
Mr. Asish Kumar Jhoerrea	NED	6	6	-	-	1	-	-
Mrs. Anandee Pawan	NED	14	10	4	-	-	-	-
Mr. Kechan Balgobin		-	-	1	1	1	-	-
Mrs. Ourmilla Ramkurrun - Sepaul		-	-	-	13	6	-	6
(Alternate to Mrs. Ourmilla Ramkurrun - Sepaul)								
Mr. Asish Kumar Jhoerrea		-	-	-	2			1
Mrs. Maneesha Sandiana Bhowon		-	-	-	1	1	-	-
Director-General								
Mr. Shekur Suntah	ED	11	11	-	9	5	-	2
Mrs. Aruna Devi Bunwaree Ramsaha	ED	8	8	-	9	4	-	5
Mr. Shakeel Goburdhone	ED	1	-	-	-	-	-	-
Member (Permanent Secretary, Home Affairs Division of the Prime Minister's Office)								
Mr. Om Kumar Dabidin	NED	15	19	5	-	-	2	-
Mr. Kechan Balgobin	NED	1	-	-	-	-	-	-

CORPORATE GOVERNANCE REPORT

YEAR ENDED 30 JUNE 2022 (CONTD)

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 and Investment Committee	Land Lease Management Committee	Corporate Governance Committee	Port Licensing Committee
Member (Director, Economic and Finance, Ministry of Finance & Economic Development)								
Mrs. Vailamah Pareatumbee	NED	20	-	-	18	9	-	7
Member (Director of Customs, Mauritius Revenue Authority)								
Mr. Vivekanand Ramburun	NED	19	-	5	-	-	2	-
(Alternate to Mr. Vivekanand Ramburun)								
Mr. Jeewonlall Audit	NED	1	-	-	-	-	-	-
Secretary (Director, Finance)								
Mr. Shreeganesh Ganga		16	-	-	-	-	-	-
Mrs. Ooma Rajagopall		4	-	-	-	-	-	-
Member								
Captain Kavidev Newoor, Ag. Port Master (As from 01 January 2022)		-	-	-	-	-	-	3
Captain Louis Benoit Barbeau (Up to 01 January 2022)		-	-	-	-	-	-	1
Captain F. D. Nookia (alternate to Port Master)		-	-	-	-	-	-	2
Mr. Gowraj Angad		-	-	-	-	-	-	7
Mr. Shakeel Goburdhone		-	-	-	-	-	-	7
Member (Senior State Attorney, State Law Office)								
Mr. Doorgesh Kumar Manikaran		-	-	-	-	9	-	-
Member (Senior Surveyor, Ministry of Housing & Lands)								
Mr. Vedacharya Vyas Sharma Chuckun		-	-	-	-	9	-	-
Member (Deputy Director, Valuation & Real Estate Consultancy Services, Valuation Office Department)								
Mrs. Roshni Bissessur		-	-	-	-	9	-	-

**ED: Executive Director*
**NED: Non-Executive Director*

CORPORATE GOVERNANCE REPORT
YEAR ENDED 30 JUNE 2022 (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. Ashit Kumar Gungah (As from 24 August 2022)
Chairman

Mr. Ashit Kumar Gungah joined in as Executive Director of the NPCC in January 2020. As the former Minister of Industry, Commerce and Consumer Protection, he has been associated in many ways with the productivity movement in Mauritius. He was previously the Minister of Civil Service and Administrative Reforms. He has spearheaded a wide range of national projects that have brought a positive impact in different sectors of Mauritius. He has also led many important projects in the private sector, especially in the textile industry in the past. He holds a Bachelor degree in Mechanical Engineering from Punjab Engineering College, India.

Mr. Shankhnad Ghurburrun (Up to 18 August 2022)
Chairman

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 ICC FraudNet member, and a pragmatic, outcome-oriented person. He is presently a Senior Advisor to the Prime Minister of the Republic of Mauritius.

Mrs. Kantabye Babajee (As from 08 August 2022)
Permanent Secretary of the External Communications Division of the Prime Minister's Office

Mrs. Kantabye Babajee is currently the Permanent Secretary of the External Communications Division of the Prime Minister's Office. Mrs K. Babajee is holder of an MBA, BSc (Hons) in Economics and a Diploma in Administration and Management. She also holds a Diplôme de Cycle International court de L'École Nationale d'Administration of Strasbourg.

She joined the Civil Service in 1994 as Educator and was appointed Assistant Secretary in 1997. She subsequently held the position of Deputy Permanent Secretary at the Prime Minister's Office until her appointment as Permanent Secretary in July 2022.

Mr. Asish Kumar Jhoerreea (As from 23 March 2022 up to 15 July 2022)
Deputy Permanent Secretary of the External Communications Division of the Prime Minister's Office

Mr. Jhoerreea joined the Public Service in February 1987 and served in the General Services until 2001. He has more than 20 years' experience in the field of public administration and management, having served at senior management level in several ministries, namely as Assistant Secretary at the Ministry of Youth and Sports from 2001 to 2008 and the Prime Minister's Office (Home Affairs Division) from 2009 to 2018. Subsequently, he was appointed Deputy Permanent Secretary on 17 February 2019 and posted to the Ministry of Justice and Human Rights until December 2019. Thereafter, he served the Ministry of Local Government and Disaster Risk Management from December 2019 to December 2020 and the Ministry of Finance, Economic Planning and Development from 17 December 2020 to 17 July 2021.

CORPORATE GOVERNANCE REPORT
YEAR ENDED 30 JUNE 2022 (CONTD)

Principle 3 Director Appointment Procedures (Contd)

Directors' Profiles (Contd)

Mr. Asish Kumar Jhoerreea (As from 23 March 2022 up to 15 July 2022) (Contd)
Deputy Permanent Secretary of the External Communications Division of the Prime Minister's Office

He has previously served as Board Director in various state-owned companies and parastatal bodies, such as the National Housing Development Company Ltd, the Mauritius Sports Council, the Beach Authority, the Mauritius Tourism Promotion Authority, the Tourism Authority, the Airports of Rodrigues Ltd and the Cargo Handling Corporation Ltd.

He holds a BSc (Hons) in Public Administration and Management (University of Technology, Mauritius).

Mrs. Anandee Pawan (As from 22 July 2021 up to 28 February 2022)
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.

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 was also a Board Director of the Airports of Mauritius Co Ltd and the Airport Terminal Operations Ltd.

Mrs. Aruna Bunwaree Ramsaha (As from 04 February 2022)
Ag Director-General

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 the United Kingdom (UK) and in the Republic of 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 and as from 04 February 2022, she is acting as Director-General of the Authority.

Mr. Shekur Suntah (Proceeded on pre-retirement leave as from 03 February 2022)
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. Until his pre-retirement leave on 03 February 2022, he held 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).

Principle 3 Director Appointment Procedures (Contd)

Directors' Profiles (Contd)

Mr. Shekur Suntah (Proceeded on pre-retirement leave as from 03 February 2022) (Contd)
Director-General

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 transhipment, 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 was 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 was a regular speaker and moderator at international Ports and Logistics Conferences worldwide since 2001.

Mr. Om Kumar Dabidin
Secretary for Home Affairs, Prime Minister's Office

Mr. Om Kumar Dabidin who 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 Pareatumbee
Director Economic and Finance, Ministry of Finance, Economic Planning and Development

Mrs. Pareatumbee 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. Pareatumbee 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).

CORPORATE GOVERNANCE REPORT
YEAR ENDED 30 JUNE 2022 (CONTD)

Principle 3 Director Appointment Procedures (Contd)

Directors' Profiles (Contd)

Mrs. Vailamah Pareatumbee (contd)
Director Economic and Finance, Ministry of Finance, Economic Planning and Development

Mrs. Pareatumbee 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 (MRA)

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.

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 Suntah (Proceeded on pre-retirement leave as at 03 February 2022)
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. Until his pre-retirement leave on 03 February 2022, he held 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 transhipment, 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 represented 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 was 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 was a regular speaker and moderator at international Ports and Logistics Conferences worldwide since 2001.

CORPORATE GOVERNANCE REPORT
YEAR ENDED 30 JUNE 2022 (CONTD)

Principle 3 Director Appointment Procedures (Contd)

Profile of Senior Management Team (Contd)

Mrs. Aruna Bunwaree Ramsaha (As from 04 February 2022)
Ag Director-General

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 the United Kingdom and in the Republic of 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 and as from 04 February 2022, she is acting as Director-General of the 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.

Captain Louis Benoit Barbeau (Retired on 01 January 2022)
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.

Captain Kavidev Newoor
Ag. Port Master (As from 01 January 2022)

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.

Mr. Shreeganesh 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.

CORPORATE GOVERNANCE REPORT

YEAR ENDED 30 JUNE 2022 (CONTD)

Principle 3 Director Appointment Procedures (Contd)

Profile of Senior Management Team (Contd)

Mr. Chandradutt Rogbeer (Retired on 28 February 2022)
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 2020, 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 his retirement date, he completed 41 years of service with 27 years at the MPA.

Mr. Ravishankar Woottum
Director, IT Services

Mr. Woottum holds a Bachelor's Degree from the University of Mauritius. He also holds a Master 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 Degree in Industrial and Civil Engineering in 1990. He additionally holds a Master 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 (Retired on 02 September 2022)
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 25 April 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.

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'Études en Langue Française et Diplôme Approfondi de Langue Française from Centre International d'Études 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.

CORPORATE GOVERNANCE REPORT
YEAR ENDED 30 JUNE 2022 (CONTD)

Principle 3 Director Appointment Procedures (Contd)

Profile of Senior Management Team (Contd)

Mrs. Nomita Seebaluck (Contd)
Ag. Director, Port Operations

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, Mauritius.

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 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.

CORPORATE GOVERNANCE REPORT

YEAR ENDED 30 JUNE 2022 (CONTD)

Principle 4 Director Duties, Remuneration and Performance (Contd)

Remuneration of Directors, Executives and Staff (Contd)

A total sum of Rs. 1,379,600 has been paid to members of the Board and Committees of the Board during the year under review up to 30 June 2022, 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 and Investment Committee Rs.	Land Lease Management Committee Rs.	Corporate Governance Committee Rs.	Port Licensing Committee Rs.	Total Rs.
Mr. Shankhnad Ghurburrun*	-	-	-	-	-	-	-	-
Mr. Shekur Suntah*	-	-	-	-	-	-	-	-
Mrs. Anandee Pawan	120,000	52,000	16,000	-	-	-	-	188,000
Mr. Asish Kumar Jhoerreea	56,000	31,200	-	8,000	4,000	-	-	99,200
Mr. Kechan Balgobin	32,000	8,000	4,000	4,000	4,000	-	-	52,000
Mrs. Ourmilla Ramkurrun Sepaul	-	-	-	52,000	20,000	-	16,000	88,000
Mrs. Maneesha Sandiana Bhowon	-	-	-	4,000	4,000	-	-	8,000
Mr. Om Kumar Dabidin	175,000	76,000	19,400	-	-	10,400		280,800
Mrs. Vailamah Pareatumbee	196,000	-	-	93,600	32,000	-	16,000	337,600
Mr. Vivekanand Ramburun	196,000	-	26,000	-	-	8,000	-	230,000
Mr. Doorgesh Kumar Manikaran	-	-	-	-	32,000	-	-	32,000
Mr. Vedacharya Vyas Sharma Chuckun	-	-	-	-	32,000	-	-	32,000
Mrs. Roshni Bissessur	-	-	-	-	32,000	-	-	32,000
TOTAL	775,000	167,200	65,400	161,600	160,000	18,400	32,000	1,379,600

*Mr. Shankhnad Ghurburrun is not paid any Board fee. Instead, he has earned a total fee of Rs. 1,004,285 for the year ended June 2022 as Chairman. Mr. Shekur Suntah, Director-General and Mrs. Aruna Devi Bunwaree Ramsaha, Ag. Director-General as well do not earn any Board fee but they received total emoluments of Rs. 7,008,662 and Rs. 2,634,577 respectively for the year ended 30 June 2022.

CORPORATE GOVERNANCE REPORT

YEAR ENDED 30 JUNE 2022 (CONTD)

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 30 June 2022 (Rs.)	Alternate	Date appointed	Total Fees Inclusive of Tax for year ended 30 June 2022 (Rs.)
Cargo Handling Corporation Ltd	Mr. Shekur Suntah, Director-General *(Proceeded on pre-retirement leave on 03 February 2022)*	30.09.15	100,000			
	Mrs. Aruna Devi Bunwaree Ramsaha, Ag. Director-General *(Alternate member to Mr. S. Suntah up to 3 February 2022 and nominated as Director as from 29 March 2022)*	29.03.22	53,000	Captain Kavidev Newoor, Ag. Port Master	29.03.22	Nil
	Mr. Shakeel Goburdhone, Deputy Director-General Technical & Operational Services	29.03.22	129,000	Mrs. Nomita Devi Seebaluck, Ag. Director, Port Operations	29.03.22	9,500
Mauritius Cargo Community Services	Mr. Shekur Suntah, Director-General (Proceeded on pre-retirement leave on 03 February 2022)	30.09.15	170,000			
	Mrs. Aruna Devi Bunwaree Ramsaha, Ag. Director-General *(Alternate member to Mr. S. Suntah up to 03 February 2022 and nominated as Director as from 29 March 2022)*	29.03.22	112,500	Mr. Shreeganesh Ganga, Director, Finance	29.03.22	Nil
Les Moulins de la Concorde Ltée	Mrs. Aruna Devi Bunwaree Ramsaha, Ag. Director-General	29.03.22	100,000	Captain Louis Benoit Barbeau, Port Master (Retired on 01 January 2022)	30.09.15	-
				Mr. Shakeel Goburdhone, Deputy Director-General (Technical & Operational Services)	29.03.22	Nil

CORPORATE GOVERNANCE REPORT
YEAR ENDED 30 JUNE 2022 (CONTD)

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 (Contd)

	Directors	Date appointed	Total Fees Inclusive of Tax for year ended 30 June 2022 (Rs.)	Alternate	Date appointed	Total Fees Inclusive of Tax for year ended 30 June 2022 (Rs.)
Froid des Mascareignes Ltée	Mrs. Aruna Devi Bunwaree Ramsaha, Ag. Director-General *(Up to 28 March 2022)*	30.09.15	3,000			
	Mr. Shreeganesh Ganga, Director, Finance - *(Alternate member to Mrs. A. D. Bunwaree Ramsaha up to 28 March 2022 and nominated as Director as from 29 March 2022)*	29.03.22	3,000	Captain Kavidev Newoor, Ag. Port Master	29.03.22	Nil
	Captain Louis Benoit Barbeau, Port Master *(Retired on 01 January 2022)*	30.09.15	-			
	Mrs. Nomita Devi Seebaluck, Ag. Director, Port Operations *(Alternate member to Captain L. Barbeau up to 01 January 2022 and nominated as Director as from 29 March 2022)*	29.03.22	3,000	Mr. Sandesh Kumar Seelochun, Director, Port Development	29.03.22	Nil
State Trading Corporation	Mr. Chandradutt Rogbeer, Corporate Auditor *(Retired on 28 February 2022)*	26.05.21	80,000	Mr. Shreeganesh Ganga, Director, Finance	29.03.22	3,000
	Mr. Sandesh Kumar Seelochun, Director, Port Development	29.03.22	30,000			

CORPORATE GOVERNANCE REPORT
YEAR ENDED 30 JUNE 2022 (CONTD)

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 (Contd)

	Directors	Date appointed	Total Fees Inclusive of Tax for year ended 30 June 2022 (Rs.)	Alternate	Date appointed	Total Fees Inclusive of Tax for year ended 30 June 2022 (Rs.)
Maurinet Investment Ltd	Mr. Shreeganesh Ganga, Director, Finance	29.03.22	120,000	Mrs. Nomita Devi Seebaluck, Ag. Director, Port Operations	29.03.22	Nil
	Mr. Sandesh Kumar Seelochun, Director, Port Development *(Up to 28 March 22)*	12.11.15	90,000	Mr. Gowraj Angad, Senior Manager, Estate Management *(Up to 28 March 22)*	12.11.15	Nil
	Mr. Shakeel Goburdhone, Deputy Director-General Technical & Operational Services *(As from 29 March 2022)*	29.03.22	Nil	Mr. Sandesh Kumar Seelochun, Director, Port Development *(As from 29 March 2022)*	29.03.22	Nil
Mauritius Network Services Ltd	Mr. Shreeganesh Ganga, Director, Finance *(Up to 28 March 22)*	12.11.15	100,000			
	Mr. Shakeel Goburdhone, Deputy Director-General Technical & Operational Services *(As from 29 March 2022)*	29.03.22	20,000	Mr. Shreeganesh Ganga, Director, Finance *(Alternate as from 29 March 2022)*	29.03.22	Nil

CORPORATE GOVERNANCE REPORT

YEAR ENDED 30 JUNE 2022 (CONTD)

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 (Contd)

	Directors	Date appointed	Total Fees Inclusive of Tax for year ended 30 June 2022 (Rs.)	Alternate	Date appointed	Total Fees Inclusive of Tax for year ended 30 June 2022 (Rs.)
Mauritius Shipping Corporation Ltd	Mr. Shekur Suntah, Director-General *(Proceeded on pre-retirement leave on 03 February 2022)*		-	Captain Mamode Imran Dowlut Assistant Port Master *(Up to 29 July 2021)*	14.10.20	-
				Mr. Mukhram Moloo, Director, Human Resources *(As from 29 July 2021 up to 28 October 2021)*	29.07.21	-
				Mr. Sandesh Kumar Seelochun, Director, Port Development *(As from 29 October 2021)*	29.10.21	6,000
	Mrs. Aruna Devi Bunwaree Ramsaha, Ag. Director-General *(Nominated as Director As from 29 March 2022).*	29.03.22	Nil	Captain Kavidev Newoor, Ag. Port Master *(As from 29 March 2022)*	29.03.22	6,000
Oceanarium (Mauritius) Ltd	Mr. Chandradutt Rogbeer, Corporate Auditor (Retired on 28 February 2022)	24.03.17	-			
	Mr. Gowraj Angad, Senior Manager, Estate Management	29.03.22	-	Mr. Bholanath Basdeo Dhunnoo Senior Manager, Technical Services	29.03.22	-

CORPORATE GOVERNANCE REPORT

YEAR ENDED 30 JUNE 2022 (CONTD)

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 (Contd)

	Directors	Date appointed	Total Fees Inclusive of Tax for year ended 30 June 2022 (Rs.)	Alternate	Date appointed	Total Fees Inclusive of Tax for year ended 30 June 2022 (Rs.)
Seafarers' Welfare Fund	Mr. Mukhram Moloo, Director, Human Resources (Up to 28 March 2022)	30.09.15	-	Mr. Gowraj Angad, Senior Manager, Estate Management *(Up to 28 March 2022)*	30.09.15	11,950
	Mrs. Preety Keesonah Manager, Management Accounting	29.03.22	-	Captain Mamode Imran Dowlut Assistant Port Master	29.03.22	-
Mauritius Oceanographic Institute	Captain Louis Benoit Barbeau, Port Master *(Retired on 1 January 2022)*	30.09.15	-	Mr. Rughooputh Bussunth Kumar, Manager, Port Environment	29.03.22	-
	Captain Kavidev Newoor, Ag. Port Master	29.03.22	-			
Mauritius Sailors' Home Society	Captain Mamode Imran Dowlut Assistant Port Master	29.03.22	-	Mr. Vyas Rughoonauth Manager, Administrative Services	29.03.22	-

CORPORATE GOVERNANCE REPORT
YEAR ENDED 30 JUNE 2022 (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 32 – 37.

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.

CORPORATE GOVERNANCE REPORT
YEAR ENDED 30 JUNE 2022 (CONTD)

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.

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.

CORPORATE GOVERNANCE REPORT
YEAR ENDED 30 JUNE 2022 (CONTD)

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.

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

	Dates of training	Details
1.	19 July 2021	Safety & Health Induction
2.	22 September 2021	Safety & Health Induction
3.	11 to 22 October 2021	Specialised training in Combating Oil spill
4.	13 October 2021	Safety & Health Induction
5.	29 November 2021 to 25 March 2022	Basic Safety Training
6.	16 December 2021	Safety & Health Induction
7.	17 January 2022 to 9 March 2022	Basic Life Saving and survival at sea
8.	27 January 2022	Safety & Health Induction
9.	28 March 2022 to 17 May 2022	Basic Life Saving and survival at sea
10.	24 May 2022	Safety & Health Induction
11.	30 May 2022 to 19 July 2022	Basic Life Saving and survival at sea
12.	15 June 2022	Talks on drugs

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 GOVERNANCE REPORT
YEAR ENDED 30 JUNE 2022 (CONTD)

Principle 6 Reporting with Integrity (Contd)

Corporate Social Responsibility, Political Donations and Contributions

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

An amount of Rs. 50,000 was incurred during the financial year 30 June 2022 pertaining to donations.

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 and Investment 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 Board had, at its meeting of 30 November 2021 approved the renewal of the contract of Grant Thornton Mauritius, External Auditors, for financial year ended 30 June 2022.

- Information on non-audit service and amount paid

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

CORPORATE GOVERNANCE REPORT
YEAR ENDED 30 JUNE 2022 (CONTD)

Principle 8 Relations with Shareholder and Other Key Stakeholders

Shareholder's Agreement

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

Shareholder's 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.

Ashit Kumar Gungah
Chairman

Aruna Devi Bunwaree Ramsaha (Mrs)
Ag. Director-General

POLICY STATEMENTS

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 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 to 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 regarding 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

CORPORATE MATTERS

HR Matters

Human capital is one of the Authority's prime investments. As we move towards a post pandemic era, the Human Resources Management System based on old rules that solves uniformity, bureaucracy and control will no longer be effective. Hence the focus of the Human Resources Department has been mainly to prioritize initiatives that strengthen the Authority's ability to drive change in leadership, culture and employee experience.

Accordingly, employee engagement plays a significant role in the overall health and future development of the organisation. It is thus imperative that employee engagement continues to evolve, by putting the Authority's workforce at the centre of virtually all strategies and decisions.

Recruitment & Selection

Taking into account that recruitment on the labour market has changed, understanding the current challenges and how to improve the recruiting process has been quite demanding for the Human Resources Department.

The Human Resources department of the Authority has focused on ongoing recruitment during the year under review which has proved to be quite challenging. With an ageing population and a number of vacancies arising in scarcity areas, the Human Resources Department has nevertheless been able to fill vacancies in the grades of Marine Engineering Officer, Pilot and Seaman.

Additionally, some 17 candidates have been recruited in the following positions:- Procurement & Supply Executive, Superintendent, Port Security, Officer, Procurement and Supply, Officer, Secretarial Services, Seaman and Trainee Seaman (Deck).

Capacity Building

One amongst the objectives of the Human Resources Department has been to assess the skill gaps in the current workforce, in line with the Authority's direction. The Human Resources Department has developed the right interventions to bridge these gaps, namely by providing training to the Authority's staff. During the Financial year 2021-2022, focus has been laid on training in the fields of oil spill preparedness, basic life and safety and coastal defense techniques.

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.

Although the implementation of the PMS has been delayed due to the imposition of the lockdowns in March 2020 and March 2021, the 12-months' cycle of the implementation phase of the PMS is underway and would be fully integrated to the MPA's Oracle System prior to its launching.

As at date, 54 appraisers have been provided with PMS appraisers training.

Human Resources Development Plan 2020

The Human Resources Development (HRD) Consultants, Messrs. Korn Ferry have submitted the Draft Final HRD 2020 Report in June 2022. In line with prevailing legislation and after obtaining relevant approval, the draft final HRD 2020 Report including the new Terms and Conditions of Employment and the set of job guidelines for the various job positions has been submitted to the two recognised unions for Collective Bargaining.

In this respect, a series of meetings were held with the unions with a view to trying to reach an agreement on a maximum of issues before signing the Collective Agreement. Upon completion of the collective bargaining process, a Collective Agreement will be signed.

As recommended by the Consultant, the HRD Report 2020 would be implemented as from 1 January 2020.

Safety & Health

The Mauritius Ports Authority is committed to ensuring that all employees and other persons working on the Authority's premises are adequately informed, trained, and work in an environment that is as far as reasonably practicable, free of hazards to prevent personal injury or work-related ill health.

Risk assessments have been conducted for all worksites to identify hazards and establish controls to manage the associated risks to an acceptable level. A training programme was subsequently elaborated and some specialised trainings were delivered on Oil Spill Combat to Port Emergency Services staff, Basic Safety Training to all tug crew and Basic Life Saving and Survival at Sea to the staff of the Port Emergency Services Unit and Port Security Staff undertaking sea patrol.

All new recruits have attended a mandatory Safety & Health Induction training. The responsibilities in terms of Occupational Safety & Health for all categories of employees have been clearly defined in the MPA's Occupational Safety & Health Policy which has been circulated to all employees as well as the unions.

Business Continuity

It is undeniable that the COVID-19 pandemic with its unprecedented global health and sanitary crisis, has impacted heavily on the work processes of a lot of organisations, including Ports.

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 no disruption in the delivery of vital supplies for the benefit of the population.

Port Louis Harbour which remained the only gateway for international trade during these challenging times has a very important role to play.

The MPA has elaborated a Business Continuity Plan which endeavours to ensure minimum disruption in port services. The collaboration of all parties including Port employees is crucial for the successful implementation of the Plan. The Business Continuity Plan will be adapted along the way as the situation may warrant.

Enhancing the Legal Framework

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 Ports (Security) Regulations 2021 (Government Notice No. 302 of 2021) have been promulgated on 15 December 2021, 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 Ports (Security) Regulations 2021 apply 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, the Ports (Fees) Regulations 2008 have been amended by the Port (Fees)(Amendment) Regulations 2022 (Government Notice No. 28 of 2022), with effect on 1 February 2022, to cater for the remission of seamen's welfare dues to the Seafarer's Welfare Fund, in accordance with the Seafarers' Welfare Fund Act 2008 and the payment of an administrative fee to the Authority.

Moreover, 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.

Audit & Risk Management

The Audit & Risk Management Department (AMRD) 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 Committee has been fundamental to the success of the Audit & Risk Management's role and objectives. The Audit 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 Audit Committee comprised only non-executive members and has met on five occasions. The Internal Audit completed audit of internal control systems and investigated widely on activities of the different departments in accordance with its pre-approved audit plan. All significant weaknesses were reported to the Audit Committee whereby corrective actions were taken where appropriate.

The Audit 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 2021/2022. Among compliance audits, operational audits, financial audits, reporting on internal controls, investigations have been ongoing throughout the year. The ARMD also assisted the Management through pre-audit of substantial payments related to MPA major contracts and procurement of goods and services. With the COVID-19 effect, the ARMD has concurrently ensured that all these activities were 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 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 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 2021/2022, much focus was placed on 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 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 2021/2022.

In its endeavour to ensure that corporate objectives are achieved, the Audit & Risk Management Department 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.

Enterprise Risk Management

The successful management of strategic risks depends on the seamless collaboration among key risk management players and their ability to manage risk. The Audit Committee ensures that appropriate frameworks and effective processes are in place for sound management and continuous monitoring of MPA's strategic, financial, operational, security, safety and compliance risks amongst others. The Audit & Risk Management department provides independent and objective assurance to the Board/ Audit Committee and Management on MPA's internal controls, risk management and governance processes. As for the Executive Management, it sets and executes the risk management strategies.

Besides representing exposure to threats, the new approach to risk management also views risk as an opportunity especially when being faced with the Covid-19 impacts, supply chain risks and prevailing international geopolitical risks. The focus remains on mitigating strategic risk enterprise-wide, except for factors that are outside the MPA's control being adverse weather conditions, Government laws and regulations, pandemics, war and terrorism.

The ultimate responsibility for effective risk management rests with the MPA's Board, which has been delegated to a sub-committee being the Audit Committee (AC). Nevertheless, every employee of the MPA has a responsibility towards risk management and it has been embedded in MPA's operations whereby the Quality Unit ensures that all departments have their process risk register which are updated whenever required, by the respective process owners/departmental heads. The process adopted for reviewing and updating process risks on an annual basis is as follows:

With a view to setting the risk appetite and providing strategic oversight for long-term value creation, the Board/Audit Committee embraced risk management strategies through components of avoidance, acceptance, reduction and transfer. The 12 main strategic risks faced by the MPA are as outlined below:

Sn	Nature of risk	Mitigating measures
1	Operational risks: Risk of non-availability of port logistics, tugs and equipment for safe marine operations; Crisis management and resource allocation for non-recurrent port related happenings (e.g. grounding of vessels, wreck); risk of not being adequately equipped to deal with fire incidents, oil spillage within the port area.	Measures taken to mitigate operational risks are: • Installation of a new Vessel Traffic System at the harbour radio. • Outsourcing of overhauling and repairs and maintenance of Tugs/Pilot boat as an ongoing exercise. • Charter Agreement for hiring of tugs. • Procurement for upgrading pilotage & tug services is under consideration (procurement of tugs, supply of crew, provision of training). • Installation of a new 360^0 static long-range LED marine lantern at the Albion Lighthouse. • Regular refresher training/update given to employees of operational departments.

2	Customer risks: Risk of not being able to accommodate big vessels due to change in vessel sizes; high concentration of business with a few shipping lines; rerouting of shipping lines due to the lingering COVID-19 impacts to other competitive ports resulting into loss of transhipment business; competition from nearby ports which offer lower port tariffs; under optimization of port infrastructure adversely affecting port operations; low return on investment.	Measures taken to mitigate customer risks are: • Investment in port infrastructure, namely:extension of quay, deepening of depth, maintenance of port infrastructure, building of Cruise Terminal. • Strategies for increasing the productivity level at the Mauritius Container Terminal jointly with the Cargo Handling Corporation Ltd for increasing the transhipment business by attracting shipping lines to call directly at Port Louis Harbour. • Marketing strategies for capitalizing on the bunkering business; a Code of practice for Bunkering Operations at Port Louis Harbour and Oil spill response plan have been drafted.
3	Business continuity risks: Decline in global economic activities due to the lingering effects of the world pandemic COVID-19 and geopolitical risks due to Russia-Ukraine war; fiscal and monetary measures to counter economic fallout; port structural model in this volatile landscape.	Measures for ensuring continuity of business are: • Implementing Covid-19 Business Continuity Plan. • Financial incentives in terms of tariff rebate given to minimize the impact of Covid-19. • Taking Insurance covers for assets and employees. • Signing of Memorandum of understanding with port stakeholders. • Working on restructuring the port business model for greater efficiency.
4	Quality and efficiency of service: The service offered by the sole port operator being the Cargo Handling Corporation Ltd (CHCL) measured in terms of waiting time, number of moves per hour, efficiency in operation, tariffs charged, etc.	Measures taken to ensure quality and efficiency of service are: • Signature of concession contracts with the Cargo Handling Corporation Ltd for the operation of all terminals. • Monitoring of CHCL's performance as per the Concession Contract. • The CHCL has been requested to have a proper maintenance plan for the good functioning of cranes.
5	Security risks: Weaknesses in the security framework may be exploited for personal interest/gain knowing that the focus is currently more on redressing the financial and operational sectors; blind spot in CCTV coverage; third party risk - poor contract management as regards maintenance of CCTV cameras; security team not trained for attending to different emergencies or not equipped with the appropriate equipment.	Measures taken for mitigating security risks are: • Replacement of the CCTV Camera Surveillance system is under progress. • Security drills (guided by International Ship and Port Facility Security Code) are regularly carried out. • Access control mechanism to operational areas is controlled based on the security level. • Ensuring adherence to conditions stipulated in Lease Agreements, Wayleaves Agreements, conditions of Port Licences on port access to operational areas. • Training plan for security officers. • Third party contract management.
6	Safety risk: safety of personnel; safety of port infrastructure.	Measures taken for mitigating safety risks are: • Provision of Personal Protective Equipment (PPE). • Regular training given on fire drill. • Conduct fire drill as required by regulations. • Quarterly Safety and Health Committee meetings. • Procurement of new fire fighting vehicle. • Training plan for officers of the Port Emergency Services unit.
7	Investment Risks: Port infrastructural risks characterized by underutilization of resources resulting into low Terminal occupancy rate implying low return on investment.	• Due to the COVID-19 pandemic effect, shipping lines were approached for reinstating direct calls to Port Louis Harbour for stimulating transhipment activities.

8	Financial Risks: Foreign exchange risk arises from the exposure from transactions denominated in foreign currencies and repayment of loans in foreign currencies; The Authority's credit risk is primarily attributable to its receivables (vessel dues, fee from concession contract, land lease, port licence, etc.); liquidity risk.	Measures taken for managing financial risks are: • Foreign exchange risk is mitigated through cash flow planning and maintaining accounts in foreign currencies (USD, Euro) by matching receipts and payments in each individual currency. • Rigorous monitoring of debtors. • Management reviews all outstanding amounts at year end to determine provision for doubtful debts. • The Authority's liquidity risk is stable as forecast cash requirements are closely monitored and a target level of available cash is maintained to meet liquidity requirements. • The Authority invests mostly in low-risk instruments being treasury bills/Government bonds. • Incentives given in terms of port dues, seaman welfare dues, anchorage dues. • Introduction of an additional fee for using port amenities by port licensees. • A close follow-up is made on outstanding legal matters court cases by the Manager Legal Services.
9	Compliance risks: Risk of non-compliance to change in and/or introduction of new laws and regulations regarding maritime activities both at national and international levels; claim resulting into liability; failure to adequately protect assets; damage to reputation, etc.	Measures taken for managing compliance risks are: • Promulgation of The Ports (Security) Regulations 2021, which came into operation on 15 December 2021. • The Port (Fees) (Amendment) Regulations 2022, which came into operation on 1 February 2022(collection and remission of seaman welfare dues). • Review in progress:The Ports (Licensing) Regulations have been drafted, with the aim to replace the Ports (Issue of Licences) Regulations 1981. • In addition, the Authority monitors compliance risks by: ✓ Vetting of contracts/agreements by the Manager Legal services. ✓ Seeking the services of State Law Office. ✓ Ensuring a close follow-up on outstanding legal matters court cases by the Manager Legal Services. ✓ Reporting to the Corporate Governance Committee. ✓ Reporting to the Audit & Risk Management Committee.
10	Technology risks: Not being able to keep pace with the change in technology leading to competitive disadvantage; technology mismatch with emerging vessel and cargo traffic mix; information security risk resulting into cybersecurity attacks, demand of ransom payment for blocking access to computer system.	Measures taken for mitigating technology risk are: • Compliance to the Data Protection Policy. • Execution of several projects to mitigate IT related risks in the medium to long term, namely: ✓ Improvement of Information security framework. ✓ Formalising a Business Continuity Plan and Disaster Recovery Plan. ✓ Upgrading of Oracle ERP System/Oracle Cloud Fusion system. ✓ CCTV Camera Surveillance System. ✓ Document Management System. • Policy documents that are in process of being finalized comprise: ✓ Data privacy policy. ✓ Data protection policy. ✓ CCTV policy. ✓ Data subject request procedure.

11	Environmental risks: Adverse impact of natural disasters, oil spills, carbon emission, climate variability; unauthorized activities by shipping companies in port waters impacting maritime environment, etc.	MPA has embarked on the following initiatives: • Implementation of the Green Port Concept with the objective of reducing the negative impacts of port activities on the environment. • Setting up of a Green Port Committee to spearhead the Green Port Initiative. • Implementation of the ISO 14001 Environmental Management System. • Waste management and resource conservation such as recycling all its E-waste including batteries, used oil, composting its green waste, promoting sustainable use of paper and setting up of a rain water harvesting system. • Signing of a Port Environment Charter with Port stakeholders in a spirit of maintaining sustainable port environment. • Procurement of anti-pollution equipment (to attend to oil spills). • Specialised training in combatting oil spill. • Monitoring access control in port area. • Conduct oil spill drill.
12	Human resource risks: As the economy continues to emerge from a pandemic-induced state of affairs, the ability to attract and retain talent is becoming increasingly difficult; agility and ability to adapt to the new normal; lack of continuous training; lack of communication between employer and employees.	Measures taken to manage risks related to human resources are: • 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. • MPA adheres to the guiding principles of the ILO Occupational Safety & Health Management system 2001. • Safety and Health Committees are held on a quarterly basis. • A Performance Management System (PMS) is being implemented with the aim of focusing on the development of employees including identification of training requirements with a view to ensuring efficiency. • A policy on conflict of interest has been devised at the MPA in line with the Prevention of Corruption Act 2022 as a mechanism to prevent, counter and deal with potential conflict of interests. • Policy on substance abuse at work. • Succession plan.

Strategically, entities are now faced with the prospect of lower growth, more uncertain market conditions and a higher risk of recession. With a view to achieving MPA's objectives, key enablers for successful strategic risk management have therefore a major role to play as described below:

- The responsibility of Strategic Risk Management rests with the MPA Board, being the one responsible for devising policies and taking decisions for building resilience.
- Senior management buy-in for implementing the decisions of the Board.
- Thoroughness in risk identification to ensure that relevant enterprise-wide risks are captured and strategic risks are communicated to the Board and Management for subsequent appropriate decisions to ensure business continuity.
- Adoption of the Risk Management philosophy in the day-to-day operations with:
  - ✓ integration of the initiative in daily processes
  - ✓ clear identification and ownership of risks (by process owners)
  - ✓ appropriate expertise for ensuring implementation of risk management (through regular audits/assessments)
- Effective follow-through and completion of the safeguard actions planned
- Capture and review of learnings to improve and customize the process according to the needs of the organization through the active involvement of all employees

The MPA attempts to mitigate risks as far as reasonable through its system of internal controls across the organisation which is subject to regular internal and external audits. The lines of responsibilities for the identification, assessment, control, monitoring and reporting of risks have been established in Risk Management Charter based on the ISO 31000 guidelines. For the smooth running of Enterprise Risk Management, the approach adopted by the MPA to mitigate major risks is as follows:

i. The IT Services department is responsible for the integrity and security of IT systems.
ii. The Port Security Unit is responsible for ensuring security within the port area and ensuring compliance to the Ports (Security) Regulations 2021.
iii. The Legal and Administrative services department ensures a close follow-up of all outstanding legal/court cases.
iv. The Human Resources department (Safety & Health Unit) is responsible for managing risks pertaining to health & safety.
v. The Port Environment Unit is responsible for the effective mitigation of environmental risks by complying to the ISO 14001 Environmental Management System.
vi. The Port Emergency Services Unit is entrusted the responsibility of fire coverage, oil spill coverage and fire watch within the port area.
vii The Quality Unit is responsible to ensure that departmental risks registers detailing process risks and mitigating strategies for reducing the likelihood of occurrence, are maintained by process owners in accordance with the ISO 9001:2015 (imbedded with ISO 31000).

The Audit and Risk Management Department, on the other hand, reports risk issues identified to Management and the Audit Committee together with the actions taken/proposed actions to be taken to resolve weaknesses while aiming towards meeting the Authority's objectives. In addition, a review of risks is carried out at the time of reviewing the Risk Register, comprising mainly strategic risks which are objectives oriented. An insight on the risk appetite is as tabled below:

Risk Category	Risk Appetite	Approach
Strategic	Moderate	In the pursuit of its objectives and achieving its mission and vision, the Authority constantly seeks a balance between its commercial ambitions and social impact.
Operational	Low	The Authority focuses on safe pilotage service. It also guarantees continuity in stakeholders' business operations by providing infrastructure and striving to minimize risks that could jeopardise these tasks.
Compliance	Low	The Authority aims to comply with applicable law and regulations relating to safety, security, environment, procurement processes and information security amongst others.
Financial	Low	The Authority exercises reasonable controls for ensuring safeguards of assets and ascertaining positive cash flow. Risk-free investment is made in fixed deposits and treasury bills.

In the same endeavour, the Audit & Risk Management department equally supports Management in the discharge of its responsibilities by assisting in the implementation of the Public Sector Anti-Corruption Framework, which aims at ensuring internal controls in processes for mitigating corruption risks. In order to meet Government's KPI in line with the Public-Sector Business Transformation Strategy (PSBTS), two corruption risk assessments have been conducted, namely in the Port Development department and the Procurement & Supply section.

Green Initiatives at Port Louis Harbour

The Mauritius Ports Authority (MPA) recognizes the need to conduct port activities in a sustainable and climate friendly manner in line with its Greenport Initiatives (GPI). MPA is a member of the International Association of Ports and Harbours (IAPH) which, on 12 May 2017, decided to set up the World Ports Sustainability Program (WPSP). The WPSP builds on the World Ports Climate Initiative (WPCI) that the IAPH started in 2008 and extends to other areas of sustainable development. Ports subscribe to the Paris Development Goal which aims to keep global warming well below 2 ^{0}C. Building on the output of the WCPI, ports community actors worldwide are collaborating in refining and developing tools to facilitate the reduction of CO_2 emissions from shipping, port and landside operations. In addition, they are taking initiatives to enable energy transition, improve air quality and stimulate circular economy.

It is within the above context that the MPA, with the technical assistance and funding of the COI/World Bank, commissioned a feasibility study to define the preferred/best approach for reducing emissions from cruise ships. Onshore power supply (OPS) is one of the strategies recommended by the WPSP for reducing the environmental impact of seagoing vessels in ports. When berthed, ships require electricity to support activities like loading, unloading, heating, air conditioning, lighting and other onboard activities. Today, this power is generally provided by auxiliary generators that emit carbon dioxide (CO_2), oxides of nitrogen, sulphur and other air pollutants, affecting local air quality and ultimately the health of both port workers and nearby residents. The generators also create a noise nuisance. As an alternative to onboard power generation, vessels can be connected to an onshore power supply, normally the local electricity grid.

This study, which was completed in May 2022, has the objective to analyse the technical feasibility, financial viability and environmental benefits of using shore sourced power on cruise ships moored at the Christian Decotter Cruise Terminal. The study also includes a brief review of the other opportunities for reducing the environmental impact of other operations in Port Louis harbour, focused on their use of hydrocarbon fuel. It should be pointed out that this initiative is also aligned to the Initial IMO Strategy on reduction of GHG emissions from ships which calls, amongst other initiatives, for the encouragement of port developments and activities globally to facilitate the reduction of GHG emissions from shipping, including provision of ship and shoreside/onshore power supply from renewable sources.

The MPA, which is also active at the level of the International Association of Ports & Harbours (IAPH), occupies an influential seat at the table of the International Maritime Organization, with both shipping and ports now beginning to open meaningful dialogues together on climate action, digitalization, trade facilitation and environmental performance. In consideration to the above, it has been proposed to use the Feasibility Study on the Shore Power at Port Louis Harbour as a Case Study for the development of an OPS Training Package under the GreenVoyage 2050 Project.

The Authority has pursued its efforts towards sustainability and in this context, steps have been taken to leverage the substantial energy savings that can be obtained through the adoption of new technologies and use of renewable energy sources – in this regard, 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).

Towards this end, the services of an experienced consulting firm has already been enlisted for the implementation of a Solar PV project which will allow the MPA to tap further the potential of Renewable Energy in the port. Three sites have been identified for the installation of solar panels and funding in the form of a grant is being explored for implementation on pilot basis. 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.

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

MPA embarking itself on the journey towards excellence through ISO Certifications

ISO 9001:2015 – Quality Management Systems (QMS)

The MPA is committed to the facilitation and promotion of global maritime trade through the provision of quality port services that meet our customers' requirements and ensure customer satisfaction.

The MPA's quality focus embraces the whole organization and is guided by business and customer needs whilst being evaluated against international standards. The cornerstone of ensuring good quality services includes the establishment of good governance processes, constant monitoring of performance and adherence to relevant regulatory systems and industry standards. The MPA was ISO certified for the first time in 2004 by the Mauritius Standards Bureau. Thereafter, over the last eighteen years, the ISO 9001 certification has been renewed and retained. In June 2018, the MPA migrated effectively to the new version of ISO 9001:2015. The successful implementation of the new ISO Certification reflected our commitment to meeting and exceeding the needs of customers and stakeholders as well as elevating the level of excellence in the services offered. The scope of the awarded certificate covers all Departments Sections and Units of the MPA. The ISO 9001 certification was awarded to the MPA following a rigorous and successful audit of the Authority's Quality Management System (QMS) by the Mauritius Standards Bureau.

The MPA continued to provide a growth pathway for quality improvement in the year 2021/22 as it strives to embed and model quality principles in the way it works, while ensuring in this process that all its employees know how to individually contribute towards realising our vision to be Mauritius' best maritime gateway. The MPA invested extensively in capacity-building to support and optimise the effectiveness of its people, processes and procedures.

The Quality Unit, within the framework of the top management review process, regularly ensures a periodic review of the Quality Management System (QMS) and Environmental Management System (EMS) to guarantee continuing suitability, adequacy, and effectiveness of the QMS and EMS while addressing the possible need for changes to quality policy, objectives, targets and other elements of the ISO 9001:2015 and ISO 14001:2015.

ISO 14001:2015 - Environment Management Systems (EMS)

In the process of practical implementation of the Green Port Concept, the MPA has implemented the ISO 14001 Environmental Management System that has identified the significant environmental aspects, defined the energy and environmental targets to be met, monitored performance and ensured that best environmental management practices are in place. The MPA has maintained its certification to international environmental standard ISO 14001:2015 following a yearly audit by AJA EQS (Mauritius Ltd). This certification has been sustained since 2015 and re-certification attained every three years since. The regular surveillance audits demonstrate that our Environmental Management System is being implemented effectively to address the potential environmental impacts of port-related activities.

Port stakeholders have also joined hands with the MPA in a spirit of collaboration for the Green Port Initiative and have concretely shown their commitment for a better and more sustainable port environment through the signing of a Port Environment Charter. The overall rationale of this collaboration is linked to the drive to minimise our environmental footprint and creating value for our customers. The MPA has initiated visible actions towards waste management and resource conservation such as by recycling all its E-waste including batteries, used oil, composting its green waste and promoting sustainable use of paper. Air and water quality and biodiversity conservation in the port are also major aspects that are being monitored. Increasing environmental awareness creates new challenges for the development of ports. In addition, climate change calls for adaptation measures that aim at minimising impacts of e.g., rising sea levels and increased flood water heights but safeguard accessibility of ports and waterways and also safeguard future sustainability for the social and natural environmental conditions.

Port Facility Security Assessment of Port Louis Harbour

Upon the request made by the MPA under a regional Programme on "Port Security and Safety of Navigation Project for Eastern and Southern Africa and the Indian Ocean", the IMO has nominated three Port Security Consultants to conduct the assessment of Port Louis Harbour from 1 to 5 August 2022.

The IMO expert assisted in the conduct of the ISPS Code port facility security assessment, review current assessment approaches and provided expert advice on enhancements/improvements. With the assistance of the IMO experts, the Port Security Unit is committed in making the Port Louis Harbour fully ISPS compliant which will attract more shipping companies to operate in Mauritius and also promote international trade take place with internationally acceptable required standard.

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 Communiqué, 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

CORPORATE MATTERS

Port Development Projects

1. Cruise Terminal Building

Cruise activities have been forecasted to increase in the Indian Ocean Region with statistics showing keen interest from Cruise liners to service the region. In order to provide a quality service to the projected increase in cruise passengers, the MPA embarked on a project for the construction of a Cruise Terminal Building adjacent to the cruise jetty located at Les Salines in 2019. This state-of-the-art facility comprising a 7,500 m^2 terminal building and associated parking facilities will be capable of handling 4,000 cruise passengers, including the inter-island traffic.

The works for the construction of the facility were initially scheduled for completion by the end of 2020. However due to the Covid-19 pandemic and resulting lockdowns in March 2020 and March 2021 respectively, delays due to port congestions and shortage of containers in China, the major source of materials for this project, the project has been severely impacted. The project is scheduled for completion by the end of 2022.

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

In the Port Master Plan 2016, the development of the Island Terminal was recommended to increase capacity to cater for the container traffic beyond 2040 as well as a solution to protect the existing Mauritius Container Terminal (MCT) against wave and swell.

In this respect, a techno-economic feasibility study confirmed that the Island Terminal is technically feasible and would decrease the downtime at MCT as well as providing increased container terminal capacity.

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 55 ha 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), and
- Supply and Installation of Container Handling Equipment.

Following an Information Memorandum issued to Investors, the market response revealed a solid interest from several respondents willing to partner in the project. 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 further studies related to the project's financial and institutional arrangements.

Given that the downtime at the MCT is expected to increase due to climate change, it was understood that the construction of the breakwater component would benefit from a grant from the Green Climate Fund. The African Development Bank (AfDB) was, accordingly, assisting the MPA to secure a grant. However, in the previous AfDB mission, MPA has been made to understand that the GCF will be disbursing a loan rather than a grant.

3. Integrated CCTV and Access Control System

Security and surveillance play a concomitant and fundamental role for the maritime industry and as such, the MPA acknowledges the importance of enhancing security at Port Louis Harbour.

Despite the various challenges that the Port faces, the Authority has left no stone unturned to ensure that the Port is equipped with the required innovative facilities with a view to mitigating any security threats thereat.

In the context of the above and on account of keeping pace with technological advancement, the MPA is proceeding with the installation of a modern CCTV System consisting of HD intelligent cameras integrated with a modern centralised access control system comprising a number of electronic raise arm barriers and turnstiles.

The new system would comprise 323 HD intelligent cameras distributed over the port area. Raise-arm barriers and turnstiles will be installed to control access to the port area including MPA buildings. The project is expected to be completed by June 2023.

4. Upgrading of ERP System

The Oracle ERP system implemented in 2013/2014 has reached end of life and needs to be upgraded. Following detailed analysis of the different scenarios, it was decided to migrate the ERP system to Oracle Cloud Fusion. The scope of the upgrade would comprise Financials, HR and Supply chain, including Payroll. Other modules being considered are as given below:

- Employee Self-service
- Business Intelligence
- Performance Management System
- Asset Maintenance Management system
- Cashier and Billing System
- Audit trail of transactions
- Encryption of database

The project started on 15 March 2022 and is expected to be completed by December 2022.

5. Vessel Traffic System

The previous Vessel Traffic System (VTS) housed at the Capitainerie Building and which was commissioned in 2008, needed to be replaced. Accordingly, the MPA hired the services of a Consultant in order to prepare the specifications for a modern and state-of-the-art VTS system, comprising 2 radars and an Automatic Identification System.

The contract for the implementation of a VTS was awarded in November 2019. The completion date was initially targeted for 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 completed in March 2021 and was commissioned in October 2021 following the opening of the frontiers.

With the installation of the Vessel Traffic System, vessel traffic management has been enhanced and as such, safety of vessels and infrastructure as well as ship tracking within the Port waters have been greatly improved.

6. Vessel Clearance System (VCS)

Prior to entering Port Louis Harbour, any vessel calling at the Port should communicate its arrival and obtain the clearance of the Port Master by issuing a Notice of Arrival.

Presently, a significant amount of paperwork needs to be effected before a ship can enter Port Louis Harbour and as such several reports and forms must be sent to the relevant authorities to seek their clearances.

Therefore, in order to render the process more efficient and effective, the MPA has decided to put in place a Vessel Clearance System which will provide a single communication platform with the objective of facilitating the arrival/departure procedures, whilst alleviating the tasks of Ship Masters and Agents with the declaration process.

The Vessel Clearance System will involve a complete digitization and automation of the vessel clearance process, allowing relevant parties to submit data and requests electronically, thereby offering a digital platform that allows information to be stored in a central database which can then be transmitted to multiple users simultaneously. All port users will be able to exchange information seamlessly and in real-time. Moreover, security and safety at the Port will be enhanced.

The contract for the implementation of the Vessel Clearance System has already been awarded and it is expected for the system to be operational by mid-2023.

7. Microsoft Office 365

The current emailing system used by the Authority needs to be upgraded to the latest version and accordingly, the MPA decided to upgrade same to Microsoft Office 365, which will give users the ability to work on the Cloud and increasing availability. Furthermore, the new system will provide users with the possibility of increased collaboration through video conferencing.

8. Procurement and Chartering of Tugs

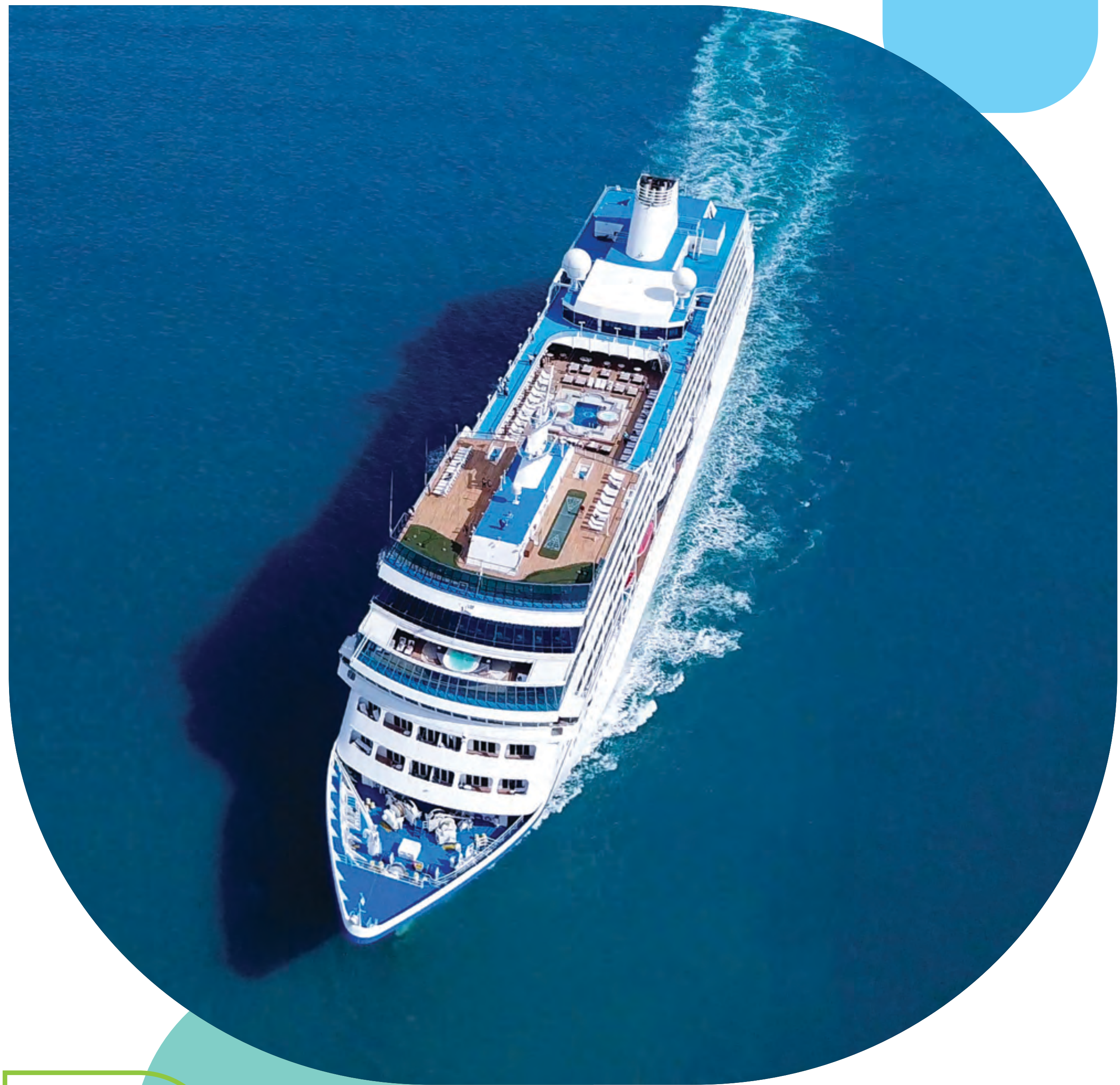
Over the years, Port Louis Harbour has been experiencing an influx of maritime traffic where larger vessels are now calling at the Port. Consequently, this trend substantiates the need for the MPA to invest in additional tug power in order to meet these new requirements.

The MPA is proceeding with the acquisition of four twin screw harbour tugboats in order to renew its existing fleet and to cater for additional capacity. The procurement process has been launched and once an award is made, the tugs are expected for delivery within 12 to 18 months.

The MPA is also envisaging the procurement of one big tug for delivery in about 2 years' time.

In addition to Tug Al Tareef 1 which has been chartered, the MPA is also engaged in the chartering of an additional big tug of bollard pull 60 tonnes, which is expected at Port Louis Harbour in early November 2022.

OPERATIONS REPORT



OPERATIONS REPORT

1. INTRODUCTION

Amid the war in Ukraine, surging inflation and raising interest rates, global economic growth is expected to slow sharply from 5.7% in 2021 and 2.9% in 2022, according to World Economic Outlook update, June 2022. In the same line, since the deterioration in the global economic outlook, the World Trade Organisation (WTO) has downgraded its merchandise trade volume forecast from 4.7% to 3.4% for 2022. It has been reported that besides the war, the stringent lockdowns in China, which have disrupted production and trade, could lead to renewed shortages of intermediate and final goods, aggravating the supply chain problems and adding to inflationary pressures.

According to UNCTAD's report titled Maritime Trade Disrupted (The war in Ukraine and its effects on maritime trade logistics), the international maritime transport is currently being affected by war in Ukraine, COVID-19 pandemic, port congestion and the need to switch to low fuel carbons. It has been reported that the higher energy costs have also led to higher marine bunker prices, raising shipping costs for all maritime transport sectors. By the end of May 2022, the global average price for low sulphur fuel oil reached over $ 1,000 per ton, a 64% increase compared to the start of the year and the average fuel surcharges claimed by container shipping lines have risen close to 50% since the beginning of the war.

According to Drewry, the container shipping market is expected to grow by 2.3% in 2022. However, it has also pointed out that the forecast is clouded by high degree of uncertainty in view of the speed of GDP projections being downgraded. Moreover, it has been reported that Asia-North European container freight rates have decreased by more than 20% since late January 2022.

In Mauritius, the shipping cost for a 20 feet container (TEU), from China to Port Louis, has noted a declining trend and averaged around $ 5,141 in Aug 2022 against $6,335 in Jan 2022. On the other hand, the average freight rate has increased from $2006/TEU to $2,627/ TEU for export containers from Mauritius to Europe. Drewry reported that lingering port congestion is preventing the sky rocketing freight rates to swiftly return to normal. According to UNCTAD Review of Maritime Trade 2021, the current historical highs in freight rates are largely driven by pandemic-induced shocks and unexpected swings in shipping demand, resulting to unprecedented port congestion.

As regards the domestic economy, the recovery is largely dependent on the performance of the tourism sector. According to National Accounts Estimates (June 2022 issue), with the exception of sugarcane and sugar milling, all sectors of the economy would register positive growths in 2022 and as a result, GDP at market prices in 2022 is forecasted to grow at a higher rate of 7.2% compared to 3.6% growth in 2021. On the expenditure front, it is to be noted that the war's impact on food and energy prices coupled with pressures on the rupee would weigh down on household consumption.

The disruption in the international maritime sector has taken its toll on the port trade performance whereby the total cargo traffic went down by 1.3% from 7,768,045 tonnes in FY20/21 to 7,665,602 tonnes in FY21/22. This is mainly attributed to the contraction recorded in the GDP-independent cargo, namely transhipment and bunkering activities.

The total container traffic has witnessed a contraction of 11.9% and reached 408,145 TEUs in FY21/22 as compared to 463,044 TEUs in FY20/21. For the period under review, transhipment container traffic posted a negative growth of 25.3% whilst captive container traffic expanded by around 1.8%.

The port witnessed a decline of 1.9% in the total vessels calls, from 2,628 in FY20/21 to 2,578 in FY21/22, mainly driven by the significant fall in container and local fishing vessels calls.

2. TOTAL CARGO TRAFFIC

Total Cargo tonnage handled in the port declined by 1.3%, equivalent to 102,442 tonnes, stood at 7,665,603 tonnes in FY21/22 as compared to 7,768,045 tonnes in FY20/21, as summarised in Table 1.

Table 1: Total Cargo Traffic – FY20/21 v/s FY21/22 (tonnes)

	FY20/21	FY21/22	Difference	% Change
Total Imports	4,633,342	4,831,414	198,072	4.3
Total Exports	1,276,300	1,257,758	-18,542	-1.5
Total Containerised Transhipment Inwards	1,858,403	1,576,431	-281,972	-15.2
Total	**7,768,045**	**7,665,603**	**-102,442**	**-1.3**

3. TOTAL IMPORTS

Total Imports expanded by 4.3% with 4,831,414 tonnes in FY21/22 as compared to 4,633,342 tonnes in FY20/21. Table 2 illustrates the breakdown of Total Imports.

Table 2: Breakdown of Total Imports FY20/21 v/s FY21/22 (tonnes)

Imports	FY20/21	FY21/22	Difference	% Change
Solid Bulk	1,870,691	1,818,899	-51,792	-2.8
Liquid Bulk	1,285,431	1,524,364	238,933	18.6
Containerised	1,353,927	1,347,375	-6,552	-0.5
Fish	97,094	97,691	597	0.6
General cargo	26,199	43,085	16,886	64.5
Total	**4,633,342**	**4,831,414**	**198,072**	**4.3**

3.1 Solid (Dry) Bulk Imports

Solid bulk imports have witnessed a contraction of 2.8 %, equivalent to 51,792 tonnes, from 1,870,691 tonnes in FY20/21 to 1,818,899 tonnes in FY21/22 as detailed in Table 3.

Table 3: Solid Bulk Imports – FY20/21 v/s FY21/22 (tonnes)

	FY20/21	FY21/22	Difference	% Change
Coal	684,993	637,519	-47,474	-6.9
Cement	770,572	768,742	-1,830	-0.2
Wheat	124,953	152,106	27,153	21.7
Sugar	110,250	84,000	-26,250	-23.8
Maize	124,887	110,794	-14,093	-11.3
Soya Bean Meal	55,036	65,738	10,702	19.4
Total	**1,870,691**	**1,818,899**	**-51,792**	**-2.8**

- Coal imports showed a decrease of 6.9%, with 637,519 tonnes in FY21/22 as compared to 684,993 tonnes in FY20/21. This below par performance is mainly attributed to the suspension of power generating activities by one of the major IPPs, namely, Terragen Ltd since the end of April 2022.

- Bulk Cement imports had remained practically the same and reached 768,742 tonnes in FY21/22 as compared to 770,572 tonnes in FY20/21, reflecting the ongoing implementation of main public projects such as metro express, decongestion programme and private construction projects such as smart city projects, etc.

- For the year under review, imports of wheat increased by 21.7% from 124,953 tonnes in FY20/21 to 152,106 tonnes in FY21/22, reflecting mainly the award of the full contract by STC to LMLC for the provision of flour in the local market as well as expansion of food service activities following the opening of tourism activities.

- Bulk sugar import stood around 84,000 tonnes for the FY21/22 compared to 110,250 tonnes in FY20/21. This is driven by the declining trend noted in local sugar production since 2019. It is to be noted that the sugar production has recorded a shortfall of around 80,000 tonnes since the pandemic as same decreased from 331,105 tonnes in 2019 to 250,000 tonnes in 2022, according to National Accounts Estimates (June 2022 issue).

- Maize and soya bean meal are mainly used in the production of animal feed. For the year under review, maize imports have contracted by 11.3% whilst soya bean meal imports expanded by 19.4%. Overall, this traffic has contracted by only 1.9%. This subdue performance could be attributed to a slow recovery in the tourism sector as well as high prices and erosion of purchasing power as demand for meat is income elastic.

3.2 Liquid Bulk Imports

Total imports of liquid bulk increased by 18.6%, representing 228,933 tonnes, i.e., from 1,285,431 tonnes in FY20/21 to 1,524,364 tonnes in FY21/22 as summarised in table 4.

Table 4: Liquid Bulk Imports – FY20/21 v/s FY21/22 (tonnes)

	FY20/21	FY21/22	Difference	% Change
White oil	469,746	658,951	189,205	40.3
Black oil	727,066	747,794	20,728	2.9
LPG	68,775	90,769	21,994	32.0
Edible oil	11,980	18,984	7,004	58.5
Bitumen	7,864	7866	2	0.03
Total	**1,285,431**	**1,524,364**	**238,933**	**18.6**

- Imports of White oil noted a significant expansion of 40.3% from 469,746 tonnes in FY20/21 to 658,951 tonnes in FY21/22, reflecting the significant increase in JET A1 following the reopening of our international borders. Indeed, this traffic soared from 28,652 tonnes in FY20/21 to 170,802 tonnes in FY21/22.

- Imports of Black oil expanded from 727,066 tonnes in FY20/21 to 747,794 tonnes in FY21/22, representing a growth of 2.9%. It is to be noted that for the financial under review, the increase in the importation of fuel oil by CEB, following the suspension of power generating activities by Terragen Ltd., has more than offset the decline in bunkering by barge activities.

- Imports of LPG expanded by 32.0% from 68,775 tonnes in FY20/21 to 90,769 tonnes in FY21/22, reflecting mainly the demand of LPG for commercial and redistributive trade following the opening of the tourism sector.

- For the year under review, imports of Edible Oil progressed by 58.5 % from 11,980 tonnes to 18,984 tonnes.

- Bitumen imports have practically remained the same for the financial year under review with 7,864 tonnes in FY2021 and 7,866 tonnes in FY21/22.

4. TOTAL EXPORTS

Total exports contracted by 1.5% and stood at 1,257,758 tonnes in FY21/22 as compared to 1,276,300 tonnes in FY20/21.

Table 5: Breakdown of Total Bulk Exports – FY20/21 v/s FY21/22 (tonnes)

Exports	FY20/21	FY21/22	Difference	% Change
Dry Bulk	1,000	0	-1,000	-100.0
Liquid Bulk	621,054	598,842	-22,212	-3.6
Containerised	645,278	650,465	5,187	0.8
General cargo	7,101	5,582	-1,519	-21.4
Fish	1,867	2,869	1,002	53.7
Total	**1,276,300**	**1,257,758**	**-18,542**	**-1.5**

4.1 Liquid Bulk Exports

Exports of Liquid Bulk cargo registered a negative growth of 3.6% from 621,054 tonnes in FY20/21 to 598,842 tonnes in FY21/22, equivalent to 22,212 tonnes as detailed in Table 6.

Table 6: Breakdown of Liquid Bulk Exports – FY20/21 v/s FY21/22 (tonnes)

	FY20/21	FY21/22	Difference	% Change
Total Bunker	614,113	594,818	-19,295	-3.1
Ethanol	6,941	4,024	-2,917	-42.0
Grand Total	**621,054**	**598,842**	**-22,212**	**-3.6**

- Export of Ethanol declined from 6,941 tonnes in FY20/21 to 4,024 tonnes in FY21/22, registering a contraction of 42.0%,
- Total bunker exports, which account for the most of bulk of total bulk liquid exports, witnessed a reduction of 3.1%, equivalent to a decrease of some 19,295 tonnes. The breakdown hereunder reveals a mixed performance.

4.1.1 Bunkering Activities

Total volume of bunker decreased by 3.1% from 614,113 tonnes in FY20/21 to 594,818 tonnes in FY21/22 as outlined in Table 7.

Table 7: Total Bunker Exports – FY20/21 v/s FY21/22

	Volume in Tonnes				Vessel Calls			
	FY20/21	FY21/22	Difference	% Change	FY20/21	FY21/22	Difference	% Change
Bunker by pipeline	66,276	91,017	24,741	37.3	935	955	20	2.1
Bunker by barge	547,837	503,801	-44,036	-8.0	1,037	951	-86	-8.3
Total	**614,113**	**594,818**	**-19,296**	**-3.1**	**1,972**	**1,906**	**-66**	**-3.3**

Bunker Volume

- Table 7 shows that volume of bunker by pipeline has noted an increase of 37.3% and stood at 91,017 tonnes in FY21/22 against 66,276 tonnes in FY20/21 as the number of vessels refuelling at quay has increased by 20 calls, representing a rise of 2.1%.

- Conversely, the exports of Bunker by barge, which accounts for the bulk of total bunkers, has fallen from 547,837 tonnes in FY20/21 to 503,801 tonnes in FY21/22, representing a reduction of 8.0%.

Apart from the cooling of global trade, this decline is also attributed to bunker price volatility. It has been reported that some local industry players purchased the products prior to the collapsing of the bunker prices. As a result, this segment noted a contraction as the local bunker prices are less competitive compared to prevailing international market prices in competing bunkering hubs.

Bunker Calls

The total number of vessels refuelling at Port Louis has decreased from 1,972 calls in FY20/21 to 1,906 calls in FY21/22, posting a shortfall of 3.3%.

It is worth noting that number of vessels calls for bunker by barge dropped by 8.3% whilst bunker by pipeline increased by 2.1% for the financial period under review.

5. FISH TRAFFIC

Total Fish Traffic increased by 1.6% from 98,961 tonnes in FY20/21 to 100,560 tonnes in FY21/22 as depicted in Table 8.

Table 8: Total Fish Traffic FY20/21 v/s FY21/22 (tonnes)

	FY20/21	FY21/22	Difference	% Change
Princes Tuna	55,410	57,195	1,785	3.2
Local Market	1,801	1,617	-184	-10.2
Transhipment Inwards	38,016	36,010	-2,006	-5.3
Direct Transhipment Inwards (ship to ship)	1,867	2,869	1,002	53.7
Direct Transhipment Outwards (ship to ship)	1,867	2,869	1,002	53.7
Grand Total	**98,961**	**100,560**	**1,599**	**1.6**

- Imports of Tuna as raw materials by Princes Tuna and Thon des Mascareignes increased by 1,785 tonnes from 55,410 tonnes in FY20/21 to 57,195 tonnes in FY21/22, reflecting the upsurge in the number of fish carriers, i.e., 30.0% growth in FY 21/22. It is to be noted that following the pandemic induced disruption in the seafood industry, part of raw materials is being imported in reefer containers instead of reefer fish carriers.

- Conversely, fish catch in our oceanic banks, mainly meant for the local market, has gone down by 10.2%, from 1,801 tonnes in FY20/21 to 1,617 tonnes in FY21/22, owing to the decrease in the number of fishing vessel calls operating thereat during the financial year under review. This decline is mainly attributed to the ageing fleet issue, soaring bunker prices and frequent adverse weather conditions.

- In spite of an increase in the vessel's calls in FY21/22, fish transhipment activity has decreased by 5.3% with 36,010 tonnes in FY21/22 against 38,016 tonnes recorded in FY20/21. This dismal performance is mainly attributed to the sanitary measures which have been relaxed during the second quarter of 2022 as well as undertaking direct transhipment on high seas which are allowed according to IOTC regulations.

- On the other hand, direct ship to ship transhipment, which is negligible, has gone up from 1,867 tonnes in FY20/21 to 2,869 tonnes recorded during the current financial year, representing an increase of 53.7%.

6. TOTAL CONTAINER TRAFFIC

Total Container Traffic (excluding paid restows) witnessed a gap of 11.9%, equivalent to 54,899 TEUs from 463,044 TEUs in FY20/21 to 408,145 TEUs in FY21/22.

It is worth noting that Captive Container Traffic noted an evolution of 1.8% whilst Transhipment Container Traffic contracted by 25.3%. Details are summarised in Table 9.

Table 9: Total Container Traffic – FY20/21 v/s FY21/22 (TEUs)

	FY20/21	FY21/22	Difference	% Change
Captive	229,772	233,971	4,199	1.8
Transhipment	233,272	174,174	-59,098	-25.3
Total	**463,044**	**408,145**	**-54,899**	**-11.9**

7.1 Total Captive Container Traffic

Total Captive Container Traffic expanded from 229,772 TEUs in FY20/21 to 233,971 TEUs, representing a growth of 1.8% in FY21/22.

7.1.1 Captive Laden Import Container Traffic

Laden import container traffic witnessed a deterioration of 0.4% equivalent to 417 TEUs with a total of 107,897 TEUs in FY21/22 as compared to 108,314 TEUs in FY20/21.

The performance is mainly attributed to rising prices of imported commodities as well as declining purchasing power due to rising inflation.

7.1.2 Captive Laden Export Container Traffic

Captive laden export container traffic remained almost at par with 51,624 TEUs in FY20/21 and 52,037 TEUs in FY21/22.

Containerised exports exhibited a mixed performance during the FY20/21. This lacklustre performance is mainly driven by lower growth outlook in our main trading partners and the ramifications of more prolonged supply chain disruptions and surging costs and prices.

In fact, according to National Accounts Estimates June 2022 Issue, within the manufacturing sector, activities of Export Oriented Enterprises are expected to grow by 1.2% in 2022 compared to 5.9% growth in 2021.

7.1.3 Captive Empty Import Container Traffic

Import of empty container traffic decreased from 8,772 TEUs in FY20/21 to 8,553 TEUs in FY21/22, representing a drop of 2.5% for the year under review.

7.1.4 Captive Empty Export Container Traffic

Captive empty export container traffic expanded to the tune of 7.2% with 65,484 TEUs in FY21/22 as compared to 61,062 TEUs in FY20/21.

7.2 Total Transhipment Inwards Container Traffic

The dismal performance in transhipment activities is mainly attributed to the slowdown in global economy and trade as well as the disrupted supply chain as a consequence of unprecedented levels of congestion that afflicted major ports worldwide.

With vessel capacity and containers tied up at congested ports, transhipment activities at Port Louis were badly hit as bigger vessels calling at Port Louis had to be re-deployed on the East-West maritime lane.

Table 10: Total Transhipment Inwards Container Traffic – FY20/21 v/s FY21/22 (TEUs)

	FY20/21	FY21/22	Difference	% Change
Laden	150,967	128,061	-22,906	-15.2
Empty	82,305	46,113	-36,192	-44.0
Total	**233,272**	**174,174**	**-59,098**	**-25.3**

7.2.1 Transhipment Inwards Laden Container Traffic (TEUs)

This traffic registered a decrease of 15.2%, equivalent to 22,906 TEUs during the financial year under review.

7.2.2 Transhipment Inwards Empty Container Traffic (TEUs)

For the financial year under review, empty transhipment container declined drastically from 82,305 TEUs in FY20/21 to 46,113 TEUs in FY21/22, representing a reduction of 44.0%, equivalent to 36,192 TEUs.

7.3 Total Container Throughput for the port

Total Container Throughput, comprising Total Container Traffic + Total Transhipment Container Outwards + paid restows for the period FY21/22 stood at 603,792 TEUs versus 697,345 TEUs in FY20/21, representing a negative growth of 13.4%, equivalent to 93,553 TEUS as shown in Table 11.

Table 11: Total Container throughput – FY20/21v/s FY21/22 (TEUs)

	FY20/21	FY21/22	Difference	% Change
Captive	229,772	233,971	4,199	1.8
Transhipment Inwards	233,272	174,174	-59,098	-25.3
Transhipment outwards	227,353	179,404	-47,949	-21.1
Paid restows	6,948	16,243	9,295	133.8
Total	**697,345**	**603,792**	**-93,553**	**-13.4**

7.4 Summary of the Key Performance Indicators at MCT

Table 12 provides a summary of the various key performance indicators at the MCT.

Table 12: Key Performance Indicators at MCT – FY20/21 v/s FY21/22

	FY20/21	FY21/22
Average Moves Per Gross Crane Hour	21.2	21.3
Average Moves per Ship's Working Hour	35.8	37.5
Average Pre-berthing/Sailing Delay	3.1	2.8
Berth Occupancy (%)	78.2	65.1

- The average number of moves per gross crane has remained practically stable with 21.2 in FY20/21 and 21.3 in FY21/22.
- On a positive note, the average moves per ship's working hour stood at 37.5 for the current financial year as compared to 35.8 recorded in FY20/21.
- Similarly, the average pre-berthing delay per vessel improved from 3.1 hours in FY20/21 to 2.8 hours posted in FY 21/22.
- The berth occupancy went down from 78.2% in FY20/21 to 65.1% in FY21/22 since lesser container vessels have called at Port Louis.

8. VESSEL CALLS

Some 2,578 vessel calls were registered during the FY21/22 as compared to 2,628 calls in FY20/21, i.e., an underperformance of 50 calls. Table 13 provides a summary of Total Vessel Traffic for the financial year under review.

Table 13: Vessel calls for the year – FY20/21 v/s FY21/22

Category	FY20/21	FY21/22	Difference	% Change
Containerized Vessels	494	434	-60	-12.1
Livestock Carrier	20	14	-6	-30.0
Pure Car Carriers	29	32	3	10.3
Unitized & Break Bulk Carriers	1	0	-1	-100.0
General Cargo Vessels	2	3	1	50
Inter-Island	52	39	-13	-25
Dry Bulk carriers	53	51	-2	-3.8
Tankers	85	80	-5	-5.9
Fishing Vessels	752	695	-57	-7.6
Cruise Vessels	0	2	2	-
Others	1,140	1,228	88	7.7
Total	**2,628**	**2,578**	**-50**	**-1.9**

- Containerised vessel calls registered a shortfall of 12.1 %, with 434 calls in FY21/22 as opposed to 494 calls in FY20/21 as the international maritime transport has been affected by the slowdown of global economy and trade recovery following the onset of the war in Ukraine as well as other challenges such as pandemic-induced port congestion.

- Likewise, the no of calls by tankers was 80 in FY21/22 as opposed to 85 recorded during the FY20/21, registering a gap of 5.9%.

- Similarly, the no. of calls made by Dry Bulk carriers was 51 in FY21/22 as compared to 53 in FY20/21, registering a decrease of 3.8%

- Fishing vessel calls contracted by 7.6%, with 695 calls in FY21/22 as compared to 752 calls in FY20/21.

- In the same vein for inter-island trade, total number of calls dropped from 52 in FY20/21 to 39 in FY21/22.

8.1 Cruise Tourism

Cruise Vessel Calls

Owing to the prevalence of COVID-19 pandemic, cruise activities were suspended from March 2020 to November 2021. As a result, this segment was badly hit in FY 20/21 with no cruise vessel calls. For the FY 21/22, only two cruise vessels under the Round The World (RTW) segment called at Port Louis.

Cruise Passengers Arrivals

Similarly, the cruise passengers on arrival stood at 99 for the FY 21/22, as provided in the Table 14.

Table 14: Total Cruise Traffic FY20/21 v/s 21/22

	Total No. of Cruise Passengers		Total No. of Cruise Calls	
	FY20/21	FY21/22	FY20/21	FY21/22
TOTAL (RTW)	-	**99**	-	**2**

8.2 Calls at Outer Harbour

The number of vessels calling at Outer Harbour increased from 1,140 vessel calls for the year FY20/21 to 1,228 calls during the current financial year, as depicted in Table 15.

Vessels call at 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.

Table 15: Total Calls Outer Harbour - FY20/21 v/s FY21/22

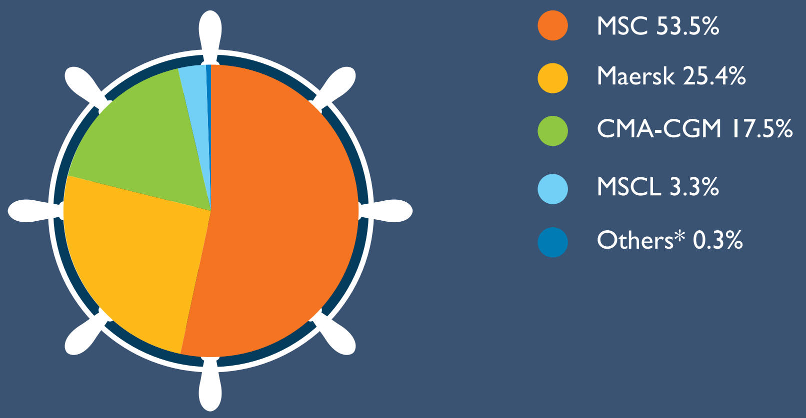
	FY20/21	FY21/22	Difference	% Change
Bunkering Only	776	792	16	2.1
Change Crew	37	171	134	362.2
Change of Security Guard	0	0	0	0
Ship Stores	90	84	-6	-6.7
Repairs or Inspection	120	99	-21	-17.5
Others	117	82	-35	-29.9
Total	**1,140**	**1,228**	**88**	**7.7**

From Table 15, it can be inferred that a growth to the tune of 7.7% has been noted for the financial year under review as the expansions recorded in Bunkering only (+ 2.1%), crew change (+362.2%) have more than offset the reductions recorded in ship stores (-6.7%), repairs or inspection (-17.5%), and others (-29.9%).

It is worth noting that the easing of sanitary measures and re-opening of international borders have contributed significantly to this positive outcome as evidenced by 362.2% growth recorded in crew change segment.

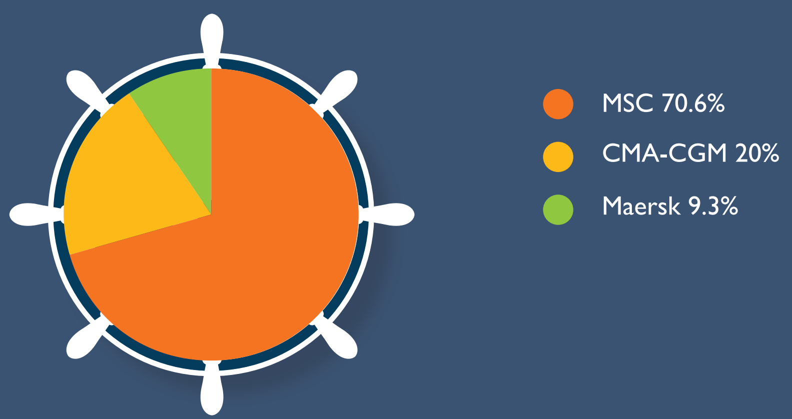
9. CONTAINER TRAFFIC BY SHIPPING LINES

Total Container Traffic
(Captive + Transhipment) by Shipping Lines FY 21/22



Total Captive Container Traffic
(Empty + Laden) by Shipping Lines FY 21/22

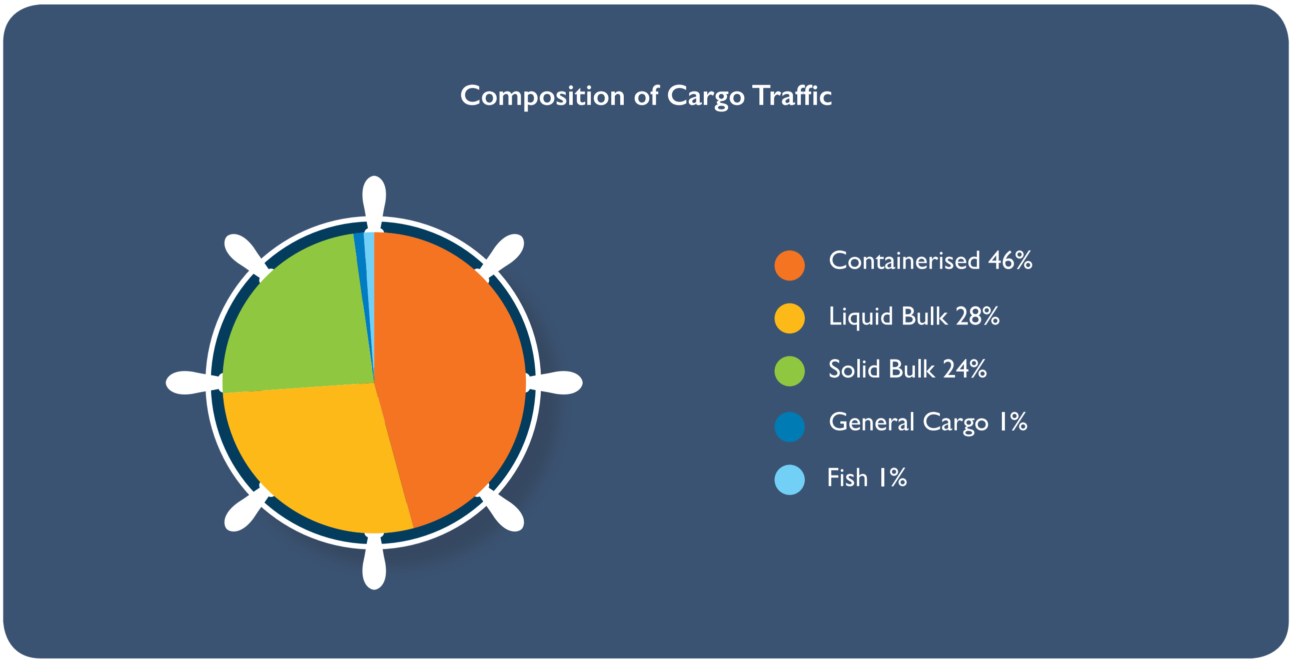
Total Transhipment Container Traffic
(import + export) by Shipping Lines FY 21/22



10. DOWNTIME AT PORT

During the year under review, handling operations were disrupted at the port for about 22.2 days in FY 21/22 as compared to 25.2 days in FY20/21 owing to adverse weather conditions.

11. COMPOSITION OF TOTAL CARGO



Total Cargo Traffic (Dry Bulk, Liquid Bulk, Containerised Cargo, and General Cargo) handled in the Port decreased from 7,768,045 tonnes in FY20/21 to reach 7,665,603 tonnes in FY21/22. The composition of total cargo traffic is depicted in the above figure.

Cargo (bagged + maize+ coal + fertilizer +soya bean meal + sugar + break bulk + inter-island + fish + containerised) handled by CHCL amounted to 4,618,680 tonnes, equivalent to 60.25% of Total Cargo Traffic.

FINANCIAL REPORT

BACKGROUND

The MPA's operational performances for FY 2021/22 have been impacted by the effects of the COVID 19 pandemic on domestic and international trade. During the second half of the Financial Year, another external factor linked to the Ukraine-Russia conflict has further exacerbated the downside effect on port trade performances.

Notwithstanding the adverse economic climate caused mainly by the above events, the MPA has achieved favourable financial results for the financial year. The net surplus which was Rs 233.9 million for financial year 2020/21 has experienced an increase of 34.2% to attain a figure of Rs 313.9 million in this financial year.

The MPA also has a comfortable financial position with a net asset of Rs 22.3 billion (total assets of Rs 24.7 billion less total liabilities of Rs 2.4 billion) as at 30 June 2022.

REVIEW OF FINANCIAL PERFORMANCE

The major financial performance indicators for the FY 2021/22 together with the comparative figures for the FY 2020/21 are shown hereunder: -

	FY21/22 Rs Million	FY20/21 Rs Million	% Change
Operating Revenue	1441.1	1367.1	5.4%
Other Revenue	270.6	287.9	(6%)
Total Revenue	**1711.7**	**1655.0**	**3.4%**
Operating Expenses	(1441.7)	(1437.5)	(0.3)
Operating Surplus	**270.0**	**217.5**	**24.1%**
Foreign Exchange Gain	44.34	107.0	(58.6%)
Net Surplus before Exceptional Item	**314.34**	**324.5**	**(3.1%)**
Loss on disposal of Infrastructure, Plant and Equipment	(0.45)	(23.0)	N/A
Net Surplus before Revaluation Loss	**313.89**	**301.5**	**4.1%**
Revaluation loss on fair value of PPE	-	(67.6)	N/A
Net Surplus for the FY	**313.89**	**233.9**	**34.2%**

It is to be noted that the MPA had to provide for the loss of tug Sir Gaetan in FY 2020/21 as an exceptional item.

Operating Revenue FY 2021/22

Revenue from vessels

In FY 2021/22, the MPA realised total revenue from vessel dues to the order of Rs. 577.4 million representing a growth of 1.7% over the preceding FY 2020/21 figure of Rs. 567.5 million. As it can be ascertained from the review of operational performance section of the report, the port has experienced a decline in the number of vessels that visited the port in this financial year as compared to the previous year. The rise in Operating Revenue in terms of vessel fees has thus been largely attributed to the appreciation of the USD against the Mauritian Rupee.

It is to be noted that there have been 2,578 vessel calls registered for FY 2021/22 compared to 2,628 calls for the previous financial year 2020/21, i.e., a decrease of some 1.9%. The decrease was mainly in the category of container and fishing vessel calls.

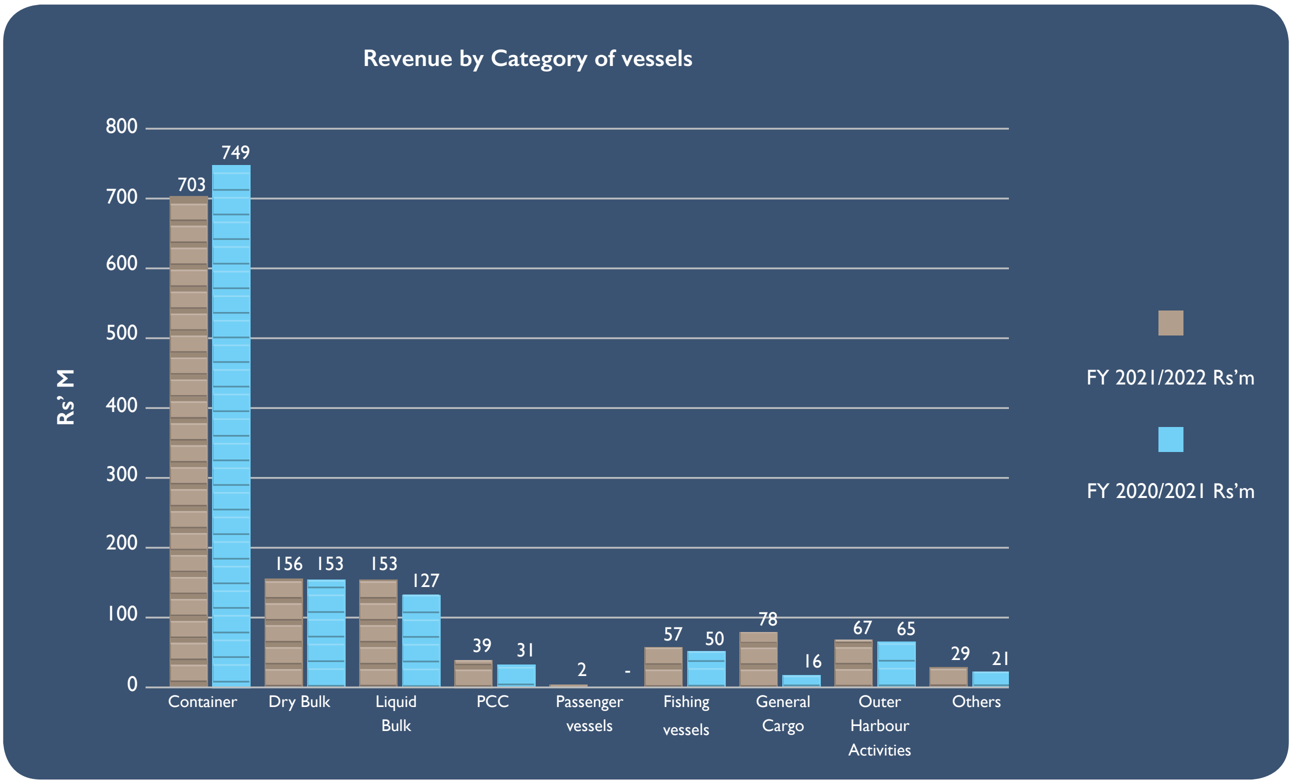
Revenue from Cargo Traffic

For FY 2021/22, the MPA realised revenue from Traffic Dues to the order of Rs. 263.4 million, representing an increase of 27.8 % over the previous FY 2020/21 figure of Rs. 206.1 million. The increase in revenue from the handling of cargo traffic has been attributed to the reinstatement of pipeline dues on delivery of bunker to client vessels. This tariff item was not applied over FY 2020/21 as an incentive to attract more vessels at Port Louis for bunkering purposes.

Revenue from Container Dues

The MPA has derived a total revenue of Rs. 444.4 million as Container Dues in FY 2021/22 compared to Rs. 437.7 million in FY 2020/21, representing a rise of 1.5%. The MPA had waived quay fees on laden export containers over the period 1 July 2020 to 31 December 2020 and applied quay fees at the rate of 50% on laden export containers as from 1 January 2021 to 30 June 2022 with a view to support the local manufacturing and export segment. These discounts on quay fees for export laden containers represented revenue foregone to the tune of Rs 54.0 million in FY 2021/22.

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 2021/22 with comparison figures for FY 2020/21.



Other Revenue

For FY 2021/22, the MPA realized Other Revenue to the tune of Rs. 270.6 million which was 6.0% lower than the previous FY 2020/21 figure of Rs 287.9 million.The different components of the other revenue streams are shown below:

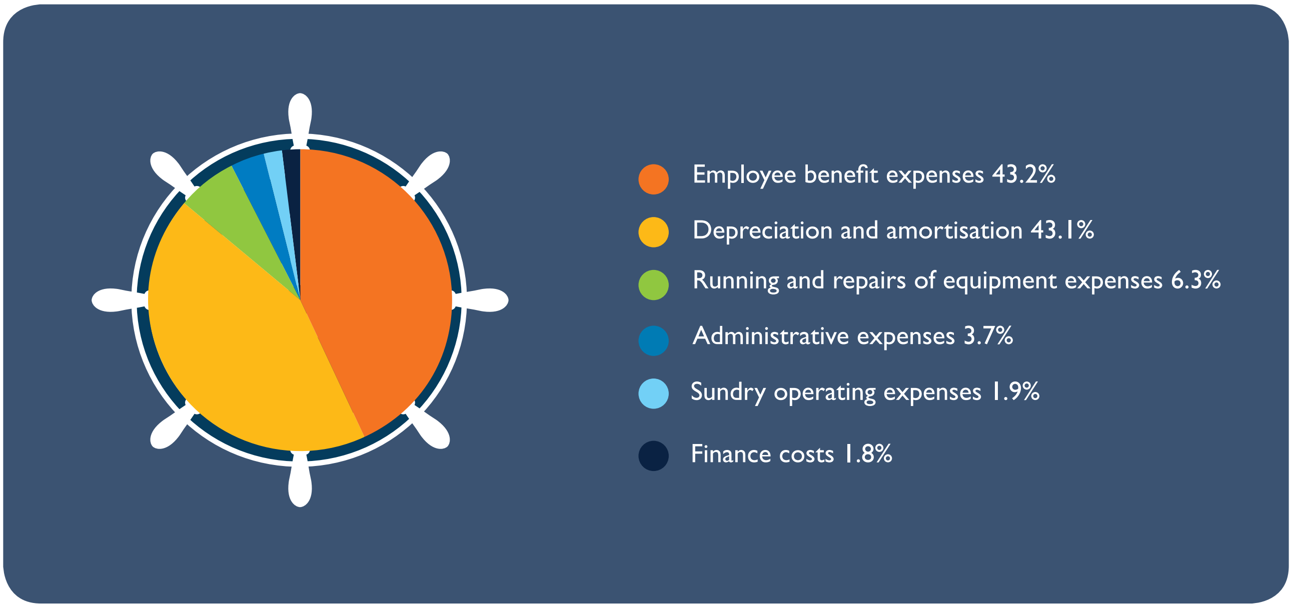
	FY21/22 A Rs. Million	FY20/21 B Rs. Million	% Change (A over B)
Investment Income	24.4	20.9	16.7%
Finance Income	30.3	55.6	(45.5%)
Rental Income	207.9	186.3	11.6 %
Other Income	8.0	25.1	(68.1%)
Total Non-Operating Income	270.6	287.9	(6.0%)

The lower income from this source is explained mainly by the fact the lower finance income has been derived from investment in deposit accounts due to decreasing market interest rate and lower funds available for investments therein.

Additionally, the decrease in other income for FY 2021/22 is attributed to the fact that an amount of Rs. 13.7 million was received from the Accountant-General for claims submitted by MPA for the mobilisation of the Authority's resources to combat the oil spill caused by the MV Wakashio at Pointe D'Esny.

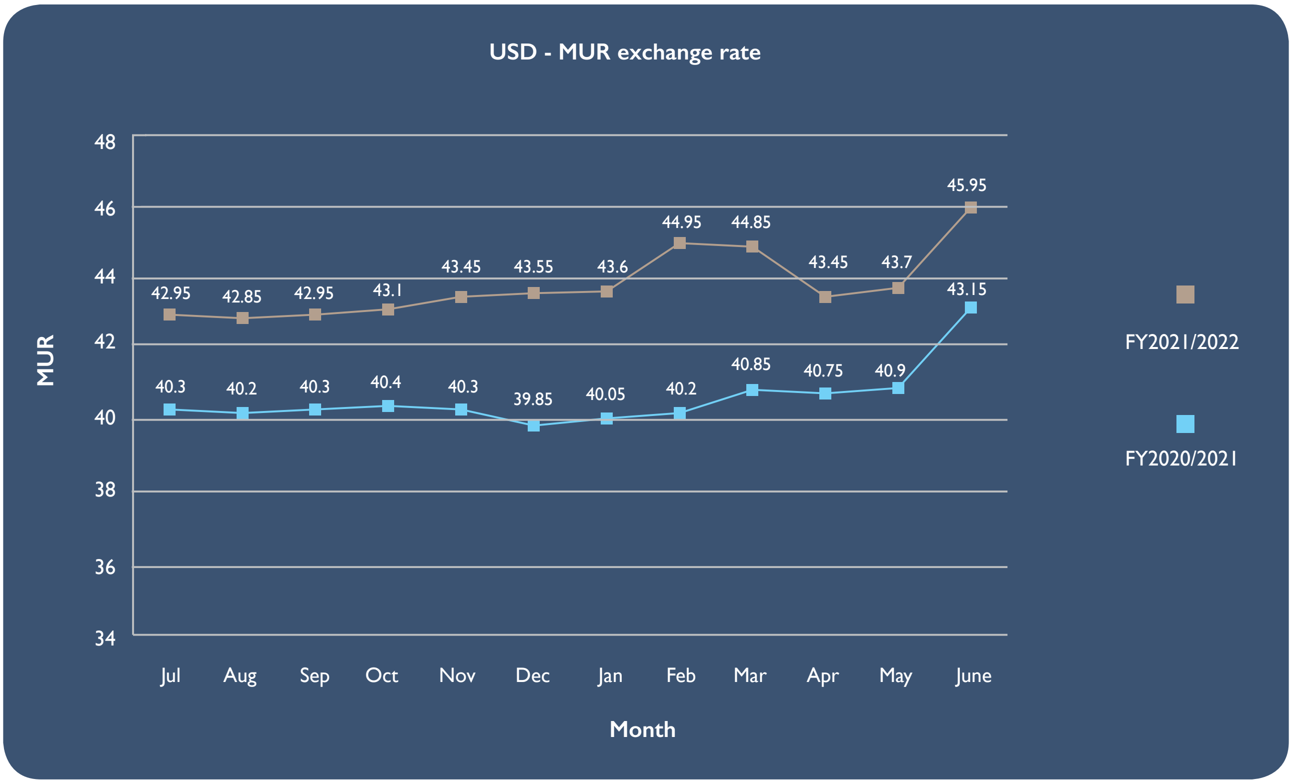
Operating Expenses

For FY2021/22, the MPA has reported total Operating Expenses of Rs 1,441.7 million which was slightly higher than that of FY2020/21.



Foreign Exchange Gain

For FY2021/22, a net foreign exchange gain of Rs. 44.3 million has been recognised in the Income Statement. The trend of USD/MUR exchange rate for FY2021/22 together with the comparative rates for FY2020/21 is shown hereunder. Based on the trend analysis, it can be observed that the USD has been trading at an average exchange rate of Rs 43.78/USD in FY2021/2022, higher than that of the previous Financial Year.



The appreciation of the USD exchange rate in FY2021/22 has contributed positively on the Operating Revenue, thus compensating for the loss in revenue resulting from the decrease in vessel and cargo traffic.

Net Surplus for FY 2021/22

After accounting for the Foreign Exchange Gain, the Net Surplus for FY2021/22 has been computed at Rs. 313.9 million compared to Rs. 233.9 million for FY2020/21, thus representing an increase of 34.2%.

Financial Position of MPA

The Authority had a comfortable financial position with a strong net asset base (Total Assets less Total Liabilities) of Rs. 22.3 billion as at 30 June 2022 and the total asset value of the Authority was to the tune of Rs. 24.7 billion as at that date. The total liability of the Authority which includes mainly the outstanding balance on the AFD loan and provision for retirement benefit obligations was Rs. 1.8 billion as at 30 June 2022.

Assessment of Financial Performance and Position

The financial performance and position of the MPA has improved as depicted by the ratios (except for the current ratio) shown hereunder: -

	FY 2021/22	FY 2020/21
Operating Surplus Margin	15.8%	13.1%
Net Surplus Margin	18.3%	14.1%
Return on Capital Employed	1.4%	1.0%
Current Ratio	2.47	7.86
Gearing	2.5%	2.9%
Interest Cover	11.5	7.9
Asset Turnover	9.7%	7.8%
Staff Cost to Total Revenue	36.4%	37.4%

The above ratios show improvements in the financial performance and position of the Authority despite the difficult economic climate. The gearing ratio has been on the declining side as a result of the repayment of the AFD loan, which was contracted for the project for the Upgrading and Extension of Berths at the MCT.

The financial position indicates that the MPA would be able to finance its major projects from its internally generated fund, which include mainly: -

- Repayment of Balance on Contract price for the Construction of the Cruise amounting to Rs 332 million as at end of June 2022;
- Procurement of four small tugs at the estimated cost of Rs 600 million;
- Implementation of CCTV and Access Control System at the cost of some Rs 103 million; and
- Procurement of Oil Pollution Combat Equipment at the cost of Rs 35 million, amongst others.

However, it is to be pointed out that, as per Government Budget 2020/21 the MPA had to pay a special dividend amounting to Rs 1.15 billion for the financing of major projects at national level. Furthermore, pursuant to Section 4 (c) of the Statutory Bodies (Accounts and Audit) Act, the MPA was directed on 15 April 2022 to remit Rs 2.0 billion from its cash reserves to the Consolidated Fund. An amount of Rs 3.0 billion was transferred up to end of June 2022 (i.e., in FY 2021/22) whilst the balance of MUR 150 million was paid in July 2022.

This transfer has significantly reduced MPA's cash reserves, which is now just sufficient to finance its own projects. Consequently, the MPA has to earmark fund for committed projects in the first instance and implement its other projects on a priority basis.

As such, the current ratio which was calculated at 7.86 for the last Financial Year has decreased to 2.47 in this Financial Year due to the payment of the special dividends totalling Rs 3.0 billion to Government.

OUTLOOK FY 2022/23

The global economy is witnessing a series of unprecedented challenges with the ongoing rippled effects of the COVID-19 pandemic, supply chain disruptions due to the Russia-Ukraine war, impact of higher inflation rates, amongst others. In its October 2022 issue, the International Monetary Fund has forecast global growth to decrease from 6.0% in 2021 to 3.2% for 2022 and further decline to 2.7% in 2023.

On the domestic front, the growth momentum of the local economy is expected to be sustained in 2022 resulting mainly from increase in demand and trade, infrastructural development projects and recovery of the tourism sector following the opening of the national borders.

For FY2022/23, the MPA has set out several measures and strategies that will boost its revenue and also ensure that the Authority's business is conducted in the most sustainable manner. It is to be noted that the operating and financial performances of the MPA are dependent on external factors impacting global trade. Accordingly, the Authority will implement appropriate strategies that would aim at attracting more activities, in terms of container transhipment, bunkering, cruise tourism, seafood sector, vessels calling at outer anchorage for operations, optimal use of land under leases, amongst others.

FINANCIAL STATEMENTS

Independent auditors' report
To the member of MAURITIUS PORTS AUTHORITY

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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 2022 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 88 to 133 give a true and fair view of the financial position of the Authority as at 30 June 2022 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.

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

Management is responsible for the Other Information. The Other Information comprises mainly of 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.

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.

Independent auditors' report (Contd)
To the member of MAURITIUS PORTS AUTHORITY

Report on the Audit of the Financial Statements (Contd)
Responsibilities of Management and Those Charged with Governance for the Financial Statements (Contd)

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 complies 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.

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.

Independent auditors' report (Contd)
To the member of MAURITIUS PORTS AUTHORITY

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

- 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.

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 2022, the Authority has complied with the provisions of Part V of the Public Procurement Act 2006.

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)

Financial Reporting Act 2004

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.

Other matter

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: 25 Nov 2022

Ebene 72201, Republic of Mauritius

Statement of financial position as at 30 June

	Notes	2022 Rs'000	2021 Rs'000
Assets			
Current			
Cash and cash equivalents	6	**355,194**	725,736
Trade and other receivables	7	**246,252**	219,324
Loans receivable	8	**36,172**	33,307
Other financial assets	9	**730,958**	2,765,365
Inventories	10	**13,896**	20,103
Current assets		**1,382,472**	3,763,835
Non-current			
Intangible assets	11	**1,803**	2,930
Infrastructure, plant and equipment	12	**11,378,284**	11,872,081
Land and buildings	12	**1,080,002**	1,123,875
Investment properties	13	**9,482,072**	9,482,072
Assets-under-construction	14	**677,709**	455,211
Available-for-sale financial assets	15	**671,465**	637,079
Loans receivable	8	**8,338**	42,108
Non-current assets		**23,299,673**	23,615,356
Total assets		**24,682,146**	27,379,191
Liabilities			
Current			
Trade and other payables	16	**248,203**	179,151
Borrowings	17	**221,733**	210,207
Provisions for other liabilities	18	**88,453**	89,383
Current liabilities		**558,389**	478,741
Liabilities			
Non-current			
Borrowings	17	**326,151**	510,090
Retirement benefit obligations	19	**1,405,497**	1,376,732
Capital grant	20	**92,452**	97,075
Non-current liabilities		**1,824,100**	1,983,897
Total liabilities		**2,382,489**	2,462,638
Net assets		**22,299,656**	24,916,553
Net assets/equity			
Republic of Mauritius capital account		**48,059**	48,059
Capital reserve	21	**12,200,880**	12,200,880
Reserve fund	21	**2,135,084**	4,808,258
Revaluation surplus	21	**7,438,964**	7,443,728
Investment fair value reserve	21	**431,494**	397,108
Accumulated surplus		**45,175**	18,520
Total net assets/equity		**22,299,656**	24,916,553

Approved by the Board of Directors on 25 Nov 2022 and signed on its behalf by:

Chairman
A. Kumar Gungah

Acting Director-General
A.D. Bunwaree Ramsaha (Mrs)

Director-Finance
S. Ganga

The notes on pages 93 to 133 form an integral part of these financial statements.

Statement of financial performance
for the year ended 30 June

	Notes	2022 Rs'000	2021 Rs'000
Operating revenue			
Vessel dues	22	**577,429**	567,472
Traffic dues	23	**263,452**	206,118
Container dues	24	**444,453**	437,733
Concession fees	36	**155,750**	155,750
		1,441,084	1,367,073
Non-operating revenue			
Investment income	25	**24,429**	20,893
Finance income	26	**30,306**	55,655
Rental income	27	**207,897**	186,268
Other non-operating revenue	28	**7,962**	25,095
		270,594	287,911
Operating expenses			
Employee benefit expenses	29	**(622,599)**	(619,765)
Sundry operating expenses		**(27,463)**	(23,936)
Running and repairs of equipment expenses		**(91,209)**	(93,794)
Administrative expenses	30	**(53,499)**	(42,720)
Finance costs	17	**(25,600)**	(31,473)
Depreciation and amortisation	11 & 12	**(621,289)**	(625,796)
		(1,441,659)	(1,437,484)
Operating surplus		**270,019**	217,500
Net foreign exchange gains		**44,336**	107,062
Revaluation loss on infrastructure, plant and equipment	12	**-**	(67,623)
Loss of disposal on infrastructure, plant and equipment		**(464)**	(23,000)
Net surplus for the year		**313,891**	233,939
Other comprehensive income:			
Items that will not be reclassified subsequently to surplus or deficit:			
Revaluation loss on infrastructure, plant and equipment	12	**-**	(399,760)
Actuarial gains/(losses) recognised	19	**34,826**	(171,042)
Items that will be reclassified subsequently to surplus or deficit:			
Increase in fair value of available-for-sale financial assets	15(b)	**34,386**	69,928
Other comprehensive income/(loss) for the year		**69,212**	(500,874)
Total surplus/(deficit) for the year		**383,103**	(266,935)

The notes on pages 93 to 133 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 2021	**48,059**	**12,200,880**	**4,808,258**	**7,443,728**	**397,108**	**18,520**	**24,916,553**
Release on disposal of infrastructure, plant and equipment	-	-	-	**(4,764)**	-	**4,764**	-
Dividends (Note 34)	-	-	**(3,000,000)**	-	-	-	**(3,000,000)**
Transaction with shareholder	-	-	**(3,000,000)**	-	-	-	**(3,000,000)**
Surplus for the year	-	-	-	-	-	**313,891**	**313,891**
Other comprehensive income:							
Actuarial gains recognised	-	-	**34,826**	-	-	-	**34,826**
Increase in fair value of available for-sale financial assets	-	-	-	-	**34,386**	-	**34,386**
Total surplus for the year	-	-	**34,826**	-	**34,386**	**313,891**	**383,103**
Transfer from accumulated surplus to reserve fund	-	-	**292,000**	-	-	**(292,000)**	-
At 30 June 2022	**48,059**	**12,200,880**	**2,135,084**	**7,438,964**	**431,494**	**45,175**	**22,299,656**
At 01 July 2020	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 asset	-	-	-	-	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

The notes on pages 93 to 133 form an integral part of these financial statements.

Statement of cash flows
for the year ended 30 June

	Notes	2022 Rs'000	2021 Rs'000
Cash from operations	35	**1,040,459**	1,009,172
Interest received		**37,346**	78,467
Interest paid		**(27,077)**	(32,853)
Net cash from operating activities		**1,050,728**	1,054,786
Cash flows from investing activities			
Purchase of infrastructure, plant and equipment, net of assets under construction, land and building and intangible assets		**(307,993)**	(192,324)
Proceeds from sale of infrastructure, plant and equipment		**2,540**	-
Investments in available-for-sale financial assets		**-**	(268)
Loan repayments received		**33,516**	29,976
Dividends received		**22,779**	26,597
Net movement on other financial assets		**2,034,407**	(442,506)
Net cash used in investing activities		**1,785,249**	(578,525)
Cash flows from financing activities			
Long term borrowings		**(206,519)**	(191,623)
Dividends paid		**(3,000,000)**	-
Net cash used in financing activities		**(3,206,519)**	(191,623)
Net increase in cash and cash equivalents		**(370,542)**	284,638
Cash and cash equivalents, beginning of year		**725,736**	441,098
Cash and cash equivalents, end of year	6	**355,194**	725,736

The notes on pages 93 to 133 form an integral part of these financial statements.

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

	Budget 2022 Rs'000	Actual 2022 Rs'000	Difference Rs'000
Operating revenue			
Vessel dues	**639,675**	**577,429**	**(62,246)**
Traffic dues	**209,542**	**263,452**	**53,910**
Container dues	**486,328**	**444,453**	**(41,875)**
Concession fees	**155,750**	**155,750**	**-**
	1,491,295	**1,441,084**	**(50,211)**
Non-operating revenue			
Investment income	**33,818**	**24,429**	**(9,389)**
Finance income	**25,000**	**30,306**	**5,306**
Rental income	**159,246**	**207,897**	**48,651**
Other non-operating revenue	**5,000**	**7,962**	**2,962**
	223,064	**270,594**	**47,530**
Operating expenses			
Employee benefit expenses	**(705,350)**	**(622,599)**	**82,751**
Sundry operating expenses	**(14,060)**	**(27,463)**	**(13,403)**
Running and repairs of equipment expenses	**(159,561)**	**(91,209)**	**68,352**
Administrative expenses	**(156,458)**	**(53,499)**	**102,959**
Finance costs	**(21,659)**	**(25,600)**	**(3,941)**
Depreciation and amortisation	**(663,544)**	**(621,289)**	**42,255**
	(1,720,632)	**(1,441,659)**	**278,973**
Operating (deficit) / surplus	**(6,273)**	**270,019**	**276,292**
Net foreign exchange gains	**3,000**	**44,336**	**41,336**
Loss on disposal of infrastructure, plant and equipment	**-**	**(464)**	**464**
Net (deficit) / surplus for the year	**(3,273)**	**313,891**	**317,164**

The notes on pages 93 to 133 form an integral part of these financial statements.

Notes to the financial statements
For the year ended 30 June 2022

1. 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.

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"). 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 fair value.

2.2 Application of new and revised IPSAS

In the current financial year, the following revised Standards issued by IPSASB that became mandatory for the first time for the financial year beginning 01 July 2021:

Amendments to IPSAS 29, IPSAS 30, IPSAS 41, IFRS 9 - Interest Rate Benchmark Reform - Phase 2 - The amendments address the accounting issues that arise when financial instruments that reference interbank offered rate (IBOR) transition to nearly risk-free rates but only to the extent that the modifications made to financial instruments are those necessary to implement IBOR Reform and that the new basis for calculating cash flows is 'economically equivalent' to the previous basis.

IPSAS 40 – *PBE Combinations* replace PBE IFRS 3: *Business Combination*. The new Standard has a broader scope and established requirement for accounting for both acquisitions (with similar requirements to PBE IFRS 3) and amalgamations (using modified pooling of interest method).

Amendments to PBE FRS 47 – Withdrawal of PBE FRS 46. The amendments to PBE IFRS 47 mainly include a change in scope meaning that PBE FRS 47 will be the sole Standard for first time adoption of PBE Standards.

Notes to the financial statements
For the year ended 30 June 2022 (Contd)

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 01 July 2021:

FRS 48: *Services Performance Reporting* – This Standard will provide users of financial statements with sufficient contextual information to understand why the entity exists, what it intends to achieve in broad terms over the medium to long term and how it goes about this. It also provides information about what the entity has done during the reporting period in working towards its broader aims and objectives.

IPSAS 41: *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 2022 (Contd)

2. Significant accounting policies (Contd)

2.4 Property, plant and equipment

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.

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.

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.

2. Significant accounting policies (Contd)

2.7 Financial assets (Contd)

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 derecognizes 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.

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. Significant accounting policies (Contd)

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'.

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 reporting date 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. Significant accounting policies (Contd)

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.

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.

Notes to the financial statements
For the year ended 30 June 2022 (Contd)

2. Significant accounting policies (Contd)

2.16 Foreign currencies (Contd)

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.

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.

2. Significant accounting policies (Contd)

2.18 Revenue recognition (Contd)

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.

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.

Notes to the financial statements
For the year ended 30 June 2022 (Contd)

2. Significant accounting policies (Contd)

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.

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.

Notes to the financial statements
For the year ended 30 June 2022 (Contd)

3. Financial risk management

The Authority is exposed to various risks in relation to financial instruments. The Authority's financial assets and liabilities by category are summarised below.

	2022 Rs'000	2021 Rs'000
Financial assets		
Cash and cash equivalents	**355,194**	725,736
Other financial assets	**730,958**	2,765,365
Loans receivables	**44,511**	75,415
Available-for-sale financial assets	**671,465**	637,079
Trade and other receivables	**237,386**	204,836
Total financial assets	**2,039,514**	4,408,431
Financial assets		
Borrowings	**547,884**	720,297
Trade and other payables	**212,058**	148,623
Provision for other liabilities	**88,453**	89,383
	848,395	958,303

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.

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.

Notes to the financial statements
For the year ended 30 June 2022 (Contd)

3. Financial risk management (Contd)

Financial risk factors (Contd)

3.1 Foreign exchange risk (Contd)

The Authority's currency profile is as follows:

	2022			2021		
	MUR Rs'000	USD Rs'000	EUR Rs'000	MUR Rs'000	USD Rs'000	EUR Rs'000
Assets						
Cash and cash equivalents	**255,341**	**97,441**	**2,412**	176,613	548,615	508
Other financial assets	**643**	**730,315**	-	970,343	1,795,022	-
Loans receivable	**9,279**	**35,232**	-	10,209	65,206	-
Available-for-sale financial assets	**666,720**	**4,745**	-	632,699	4,380	-
Trade and other receivables	**237,386**	**-**	-	204,836	-	-
	1,169,369	**867,733**	**2,412**	1,994,700	2,413,223	508
Liabilities						
Borrowings	**-**	**547,884**	**-**	-	720,297	-
Trade and other payables	**207,370**	**4,688**	**-**	147,496	1,127	-
Provision for other liabilities	**88,453**	**-**	**-**	89,383	-	-
	295,823	**552,572**	**-**	236,879	721,424	-

At 30 June 2022, 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. 9.527 million (2021: Rs. 50.769 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 2022 (Contd)

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.

	2022 Rs'000	2021 Rs'000
Maersk Mauritius Ltd	**6,372**	17,356
Cargo Handling Corporation Limited	**13,890**	14,341
Mediterranean Shipping & Co. Ltd	**19,905**	22,637
CMA CGM (Mauritius) Ltd	**9,559**	8,837
Total Mauritius Limited	**11,089**	16,321
Mauritius Shipping Corporation Ltd	**8,494**	11,994
Mauritius Cane Industry Authority	**70,658**	41,325
Southern Marine & Co. Ltd	**7,007**	9,621
Chantier Naval de l'Océan Indien Ltd	**6,217**	6,217
Cameron Ltd	**7,940**	7,940
Indian Oil (Mauritius) ltd	**14,828**	325
C O Port Agency Services (Mauritius) Ltd	**8,447**	539
Central Electricity Board	**8,828**	8,645
	193,234	166,098

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 by 5%.

Impact on net assets/equity

	2022 Rs'000	2021 Rs'000
Available-for-sale financial assets	**33,573**	31,854

Notes to the financial statements
For the year ended 30 June 2022 (Contd)

3. Financial risk management (Contd)

Financial risk factors (Contd)

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.

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 2022	6 months or less Rs'000	6 - 12 months Rs'000	2 - 5 years Rs'000	Total Rs'000
Trade and other payables	**212,058**	**-**	**-**	**212,058**
Provisions for other liabilities	**88,453**	**-**	**-**	**88,453**
Borrowings	**-**	**221,733**	**326,151**	**547,884**
Total	**300,511**	**221,733**	**326,151**	**848,395**

30 June 2021	6 months or less Rs'000	6 - 12 months Rs'000	2 - 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

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 30 June 2022 the Authority's interest bearing financial instruments included cash at bank (excluding fixed deposits which earns interest at a fixed rate) amounting to Rs. 205.194 million (2021: Rs. 725.736 million). The rate may increase or decrease depending on the prime lending rate.

A change of 0.50% in interest rates at the reporting date would have increased/(decreased) surplus by Rs. 4.38 million (2021: Rs. 3.63 million) for the Authority.

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.

Notes to the financial statements
For the year ended 30 June 2022 (Contd)

4. Capital risk management (Contd)

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 2022, the Authority's strategy, which was unchanged from the year ended 30 June 2021 was to maintain the least amount of debt. The gearing ratios as at 30 June 2022 and 30 June 2021 were as follows:

	2022 Rs'000	2021 Rs'000
Total debt	**547,884**	720,297
Less: cash and cash equivalents *(including other financial assets)*	**(1,086,152)**	(3,491,101)
Net debt	**(538,268)**	(2,770,804)
Total net assets/equity	**22,299,656**	24,916,553
Net debt-to-adjusted capital ratio	**-**	-

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 as follows.

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 Organisation 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.

Notes to the financial statements
For the year ended 30 June 2022 (Contd)

5. Critical accounting estimates and judgements (Contd)

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 19.

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 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.

Investments held in 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.*

Asset lives and residual values

Property, plant and equipment and intangible assets are depreciated/amortised 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.

5. Critical accounting estimates and judgements (Contd)

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.

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.

Impact of Russia/Ukraine conflict

In February 2022, a military conflict arose between Russia and Ukraine, with the latter being supported by countries in the NATO alliance as well as others around the globe, including imposition of financial and trade sanctions against Russia. Although the length, impact and outcome of the ongoing military conflict in Ukraine is highly unpredictable, this conflict could lead to significant market and other disruptions, including significant volatility in commodity prices, supply of energy resources, instability in financial markets, supply chain interruptions, political and social instability, changes in consumer or purchaser preferences as well as increase in cyberattacks and espionage.

6. Cash and cash equivalents

	2022 Rs'000	2021 Rs'000
Cash in hand in:		
Mauritian Rupee ("MUR")	**94**	97
Cash at bank in:		
Mauritian Rupee ("MUR")	**255,247**	176,515
Euro ("EUR")	**2,412**	508
United States Dollar ("USD")	**97,441**	548,616
	355,194	725,736

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

Notes to the financial statements
For the year ended 30 June 2022 (Contd)

7. Trade and other receivables

	2022 Rs'000	2021 Rs'000
Trade receivables	**91,558**	88,508
Amount owed by related party:		
Cargo Handling Corporation Ltd (Note 33)	**13,890**	13,433
Receivable from lessees of the Authority	**81,015**	54,512
	186,463	156,453
Allowance for credit losses (Note 7(d))	**(14,943)**	(14,943)
	171,520	141,510
Accrued revenue	**40,892**	32,982
Advances to employees	**24,510**	30,049
Prepayments	**8,866**	14,488
Other receivables	**464**	295
	246,252	219,324

(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 2022.

(c) As of 30 June 2022, trade receivables of Rs. 63.449 million (2021: Rs. 54.806 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:

	2022 Rs'000	2021 Rs'000
Over 3 months	**63,449**	54,806

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

	2022 Rs'000	2021 Rs'000
At 01 July	**14,943**	16,088
Reversal of overprovisions made	-	(1,145)
At 30 June	**14,943**	14,943

(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.

Notes to the financial statements
For the year ended 30 June 2022 (Contd)

8. Loans receivable

	2022 Rs'000	2021 Rs'000
Non-current		
Loans to Cargo Handling Corporation Limited (Note 8(a))	**-**	33,375
Loans to Mauritius Housing Company Ltd (Note 8(b))	**8,338**	8,733
	8,338	42,108
Current		
Loans to Cargo Handling Corporation Limited (Note 8(a))	**35,232**	31,830
Loans to Mauritius Housing Company Ltd (Note 8(b))	**940**	1,477
	36,172	33,307
Total	**44,510**	75,415

(a) Loan receivable from Cargo Handling Corporation Limited represents 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:

	2022 Rs'000	2021 Rs'000
After one year and before five years:		
Cargo Handling Corporation Limited	**-**	33,375
Mauritius Housing Company Ltd	**2,529**	6,217
	2,529	39,592
After five years:		
Mauritius Housing Company Ltd	**5,809**	2,516
Total	**8,338**	42,108

9. Other financial assets

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

	2022 Rs'000	2021 Rs'000
Current		
Fixed deposits with initial maturity more than 3 months but less than 12 months:		
Between 3 to 6 months	**730,958**	-
Between 6 to 12 months	**-**	2,765,365
Total	**730,958**	2,765,365

Notes to the financial statements
For the year ended 30 June 2022 (Contd)

10. Inventories

	2022 Rs'000	2021 Rs'000
Oil, lubricants and spare parts	**23,441**	28,033
Office supplies	**1,299**	1,280
Operating supplies	**408**	640
Uniforms	**240**	602
Goods in transit	**229**	1,269
	25,617	31,824
Provision for damaged and obsolete items	**(11,721)**	(11,721)
	13,896	20,103

The cost of inventories recognised as expense during the year under review amounted to Rs. 41.2 million (2021: Rs. 34.9 million) and are included in running and repairs of equipment expenses.

11. Intangible assets

	2022 Rs'000	2021 Rs'000
Cost		
At 01 July	**36,621**	36,546
Additions during the year	**-**	75
At 30 June	**36,621**	36,621
Amortisation		
At 01 July	**33,691**	32,295
Amortisation during the year	**1,127**	1,396
At 30 June	**34,818**	33,691
Carrying amount at 30 June	**1,803**	2,930

Notes to the financial statements
For the year ended 30 June 2022 (Contd)

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 2020.

	COST/VALUATION					ACCUMULATED DEPRECIATION				NET BOOK VALUE
	At 01 July 2021 Rs'000	Additions Rs'000	Disposals Rs'000	Reclassification Rs'000	At 30 June 2022 Rs'000	At 01 July 2021 Rs'000	Charge for the year Rs'000	Disposals adjustments Rs'000	At 30 June 2022 Rs'000	30 June 2022 Rs'000
Infrastructure, plant and equipment										
Infrastructure	930,855	15,263	-	7,608	953,726	301,190	108,988	-	410,178	543,548
Navigational aids	85,403	1,794	-	-	87,197	11,591	2,604	-	14,195	73,002
Tugs and floating crafts	1,058,427	44,256			1,102,683	387,786	65,968	-	453,754	648,929
Quays	12,635,368	-	-	-	12,635,368	2,421,695	364,134	-	2,785,829	9,849,539
Furniture and equipment	40,961	814	-	-	41,775	36,563	2,896	-	39,459	2,316
Plant and equipment	255,886	2,963	-	-	258,849	59,836	19,501	-	79,337	179,512
Cargo handling equipment	4,201	-	-	-	4,201	2,014	274	-	2,288	1,913
Marine radio equipment	8,500	-	-	-	8,500	7,622	137	-	7,759	741
Mooring buoys and ancillary equipment	42,322	-	-	-	42,322	24,759	1,105	-	25,864	16,458
Motor vehicles and fire-fighting equipment	88,317	16,738	(4,271)	-	100,784	48,255	10,434	(1,268)	57,421	43,363
Electrical installation	51,626	-	-	-	51,626	39,866	2,891	-	42,757	8,869
Computer and security equipment	96,796	1,918	-	-	98,714	85,404	3,216	-	88,620	10,094
Sub Total	**15,298,662**	**83,746**	**(4,271)**	**7,608**	**15,385,745**	**3,426,581**	**582,148**	**(1,268)**	**4,007,461**	**11,378,284**
Land and buildings										
Land	621,600	-	-	-	621,600	-	-	-	-	621,600
Buildings	716,077	1,749	-	(7,608)	710,218	213,802	38,014	-	251,816	458,402
Sub Total	**1,337,677**	**1,749**	-	**(7,608)**	**1,331,819**	**213,802**	**38,014**	-	**251,816**	**1,080,002**
Total	**16,636,339**	**85,495**	**(4,271)**	-	**16,717,563**	**3,640,383**	**620,162**	**(1,268)**	**4,259,277**	**12,458,286**

Notes to the financial statements
For the year ended 30 June 2022 (Contd)

12. Infrastructure, plant and equipment, land and buildings (Contd)

	COST/VALUATION							
	01 July 2020 Restated Rs'000	Disposals Rs'000	Additions Rs'000	Revaluation gains/ (losses) Rs'000	Scrapped* items Rs'000	Assets written off Rs'000	Reclassification Rs'000	30 June 2021 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	-	1,331	199,047	-	-	-	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 derecognised in these financial statements.*

12. Infrastructure, plant and equipment, land and buildings (Contd)

	ACCUMULATED DEPRECIATION					NET BOOK VALUE
	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	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 2022 (Contd)

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 2022	Cost Rs'000	Accumulated depreciation Rs'000	Net book values Rs'000
Buildings & Infrastructure	**1,047,331**	**979,922**	**67,409**
Navigation aids	**26,442**	**21,176**	**5,266**
Tugs and floating crafts	**1,031,294**	**568,500**	**462,794**
Quays	**9,702,111**	**3,277,607**	**6,424,504**
Motor vehicles and firefighting equipment	**88,132**	**64,454**	**23,678**
Mooring buoys & other equipment	**18,471**	**18,471**	**-**
	11,913,781	**4,930,130**	**6,983,651**

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
Navigation 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	18,871	-
	11,977,223	4,550,588	7,426,635

13. Investment properties

(a) Fair value model – Land

	2022 Rs'000	2021 Rs'000
At 01 July - Restated	**9,482,072**	9,461,404
Reclassifications during the year	**-**	20,668
At 30 June	**9,482,072**	9,482,072

(b) The Authority has at 30 June 2017 recognised land to the extent of 236 hectares (ha) at its fair value in its financial statements. In the financial year ended 30 June 2018, the Authority has recognised additional land to the extent of 15.8 ha, thus totalling 251.8 ha. The valuation has been based on the fair value of Rs.30 million per ha estimated by an external valuer - Property & Asset Valuation Ltd, Chartered Valuation Surveyors. The fair value of land was determined on a open-market basis by reference to market evidence of transaction prices of similar properties at 31 December 2014.

(c) 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. The last revaluation was carried out in 2019.

(d) Rental income from investment properties amounted to Rs. 207.897 million (2021: Rs. 186.268 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 incompleted projects of the Authority and their associated retention monies. Included therein are the following projects:

	2022 Rs'000	2021 Rs'000
Construction of a Cruise Terminal Building	**513,995**	321,575
Remedial Works to mechanical & electrical installation - oil Jetty	**83,588**	83,587
Retention monies (Note 14 (b))	**22,118**	22,118
Installation of new Port Louis Vessel Traffic System	**41,623**	20,055
Breakwater Structures at Fort William	**16,385**	7,876
	677,709	455,211

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

	2022 Rs'000	2021 Rs'000
At 01 July	**455,211**	315,530
Additions	**238,325**	131,324
Transfer to property, plant and equipment (Note (i))	**(15,827)**	(13,761)
Retention monies	**-**	22,118
At 30 June	**677,709**	455,211

(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.

	2022 Rs'000	2021 Rs'000
At fair value		
Listed	**65,272**	62,414
Development & Enterprise Market	**142,875**	145,350
Unquoted	**463,318**	429,315
Total available-for-sale financial assets	**671,465**	637,079

With the exemption of one quoted entity which is denominated in United States Dollar, all other available-for-sale financial assets are denominated in Mauritian rupees.

Notes to the financial statements
For the year ended 30 June 2022 (Contd)

15. Available-for-sale financial assets (Contd)

(b) The movements in available-for-sale financial assets may be summarised as follows:

	2022 Rs'000	2021 Rs'000
At 01 July	**637,079**	566,883
Additions	**-**	268
Increase in fair value	**34,386**	69,928
At 30 June	**671,465**	637,079

The Authority has more than 20% interest in the following entity which is unquoted at the reporting date.

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

	2022 Rs'000	2021 Rs'000
Accrued expenses	**184,704**	121,066
Deposits received	**802**	798
Rent billed in advance	**36,144**	30,528
Other payables	**2,134**	2,340
Retention monies (Note 16(i))	**24,419**	24,419
	248,203	179,151

(i) Retention monies for the year ended 30 June 2022 represent amounts retained by the Authority on the construction contracts awarded to System Building Contracting Ltd - Oil Jetty project, AWL Trading Ltd - Open Steel Shed at MCT and A. Jaufeerally - 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. Borrowings

	2022 Rs'000	2021 Rs'000
Non-current		
Loan - Agence Française de Développement	**326,151**	510,090
Current		
Loan - Agence Française de Développement	**221,733**	210,207
Total borrowings	**547,884**	720,297

(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 2022, interest of Rs. 25.60 million has been recognised in the statement of financial performance (2021: Rs. 31.473 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	Total Rs'000
At 30 June 2022	**110,866**	**110,867**	**221,734**	**104,417**	**547,884**
At 30 June 2021	108,188	102,019	204,036	306,054	720,297

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

	2022 Rs'000	2021 Rs'000
After one year and before two years	**221,734**	204,036
After two years and before five years	**104,417**	306,054
Total non-current borrowings	**326,151**	510,090

(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 United Stated Dollar ("USD").

Notes to the financial statements
For the year ended 30 June 2022 (Contd)

18. Provisions for other liabilities

	2022		
	Passage benefits Rs'000	Sick leaves Rs'000	Total Rs'000
At 01 July	**31,834**	**57,549**	**89,383**
Paid during the year	**(10,345)**	**(19,113)**	**(29,458)**
Charge to statement of financial performance	**13,938**	**14,590**	**28,528**
At 30 June	**35,427**	**53,026**	**88,453**

	2021		
	Passage benefits Rs'000	Sick leaves Rs'000	Total 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

19. Retirement benefit obligations

	2022 Rs'000	2021 Rs'000
Pension benefits		
Amount recognised in the statement of financial position as non-current liabilities	**1,405,497**	1,376,732
Amount charged to surplus	**88,157**	79,800
Amount charged to other comprehensive income	**34,826**	(171,042)

(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:

	2022 Rs'000	2021 Rs'000
Present value of funded obligations	**2,070,713**	2,161,248
Fair value of plan assets	**(665,216)**	(784,516)
Liability in the statement of financial position	**1,405,497**	1,376,732

Notes to the financial statements
For the year ended 30 June 2022 (Contd)

19. Retirement benefit obligations (Contd)

(iv) The movements in the statement of financial position are as follows:

	2022 Rs'000	2021 Rs'000
At 01 July	**1,376,732**	1,158,011
Total expenses charged in the statement of financial performance	**88,157**	79,800
Other comprehensive income charge	**(34,826)**	171,042
Contributions paid	**(24,566)**	(32,121)
At 30 June	**1,405,497**	1,376,732

(v) The movement in the defined benefit obligations during the year is as follows:

	2022 Rs'000	2021 Rs'000
At 01 July	**2,161,248**	1,988,374
Current service cost	**30,254**	35,232
Interest cost	**100,498**	92,205
Benefits paid	**(154,671)**	(129,299)
Liability (gain)/loss	**(66,616)**	174,736
At 30 June	**2,070,713**	2,161,248

(vi) The movement in the fair value of plan assests during the year is as follows:

	2022 Rs'000	2021 Rs'000
At 01 July	**784,517**	830,364
Expected return on plan assets	**33,662**	36,426
Actuarial (loss)/gain	**(31,790)**	3,694
Employer contributions	**24,566**	32,120
Employee contributions	**9,528**	12,116
Benefits paid	**(155,267)**	(130,204)
At 30 June	**665,216**	784,516

(vii) The amounts recognised in the statement of financial performance are as follows:

	2022 Rs'000	2021 Rs'000
Current service cost	**30,254**	35,232
Employee contributions	**(9,528)**	(12,116)
Fund expenses	**596**	905
Net interest expense	**66,835**	55,779
Total included in employee benefit expenses	**88,157**	79,800

Notes to the financial statements
For the year ended 30 June 2022 (Contd)

19. Retirement benefit obligations (Contd)

(viii) The amounts recognised in other comprehensive income are as follows:

	2022 Rs'000	2021 Rs'000
Liability (gain)/loss	**66,616**	(174,736)
Asset (loss)/gain	**(31,790)**	3,694
	34,826	(171,042)

(ix) The principal assumptions used for the purpose of the actuarial valuation were as follows:

	2022 %	2021 %
Discount rate	**4.9**	4.7
Future salary increases	**3.5**	3.0
Future pension increases	**2.5**	2.0

(x) The assets in the plan and the expected rate of return were:

	2022		2021	
	Rs'000	%	Rs'000	%
Fixed interest securities and cash	**385,825**	**58.0**	429,915	54.8
Loans	**19,291**	**2.9**	21,966	2.8
Local equities	**90,469**	**13.6**	92,572	11.8
Overseas bonds and equities	**166,304**	**25.0**	236,140	30.1
Property	**3,327**	**0.5**	3,923	0.5
	665,216	**100.0**	784,516	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. 28.9 million in contribution to its post-employment benefit plans for the year ended 30 June 2022.

(xiv) The weighted average duration of the defined obligation is 12 years at the end of the reporting date.

20. Capital grant

Capital grant of USD 3,772,484 equivalent to Rs. 115.6 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 2022, the amount of capital grant stood at Rs. 92.452 million (2021: Rs. 97.075 million).

Notes to the financial statements
For the year ended 30 June 2022 (Contd)

21. Reserves

	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 2021	**12,200,880**	**4,808,258**	**7,443,728**	**397,108**	**18,520**	**24,868,494**
Release on disposal of infrastructure, plant and equipment	**-**	**-**	**(4,764)**	**-**	**4,764**	**-**
Dividends (Note 34)	**-**	**(3,000,000)**	**-**	**-**	**-**	**(3,000,000)**
Transaction with shareholder	**-**	**(3,000,000)**	**-**	**-**	**-**	**(3,000,000)**
Surplus for the year	**-**	**-**	**-**	**-**	**313,891**	**313,891**
Other comprehensive income:						
Actuarial gains recognised	**-**	**34,826**	**-**	**-**	**-**	**34,826**
Increase in fair value of available-for-sale financial assets	**-**	**-**	**-**	**34,386**	**-**	**34,386**
		34,826		**34,386**	**313,891**	**383,103**
Transfer from accumulated surplus to reserve fund	**-**	**292,000**	**-**	**-**	**(292,000)**	**-**
At 30 June 2022	**12,200,880**	**2,135,084**	**7,438,964**	**431,494**	**45,175**	**22,251,597**

	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	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 gains recognised	-	(171,042)	-	-	-	(171,042)
Increase 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

(a) Capital reserve

Capital reserve comprise 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.

21. Reserves (Contd)

(b) Reserve fund

	2022 Rs'000	2021 Rs'000
Port Development Reserve	**1,067,542**	1,570,010
General Reserve	**640,525**	1,580,525
Insurance Reserve	**427,017**	1,657,723
	2,135,084	4,808,258

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.

(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.

22. Vessel dues

	2022 Rs'000	2021 Rs'000
Tug services	**224,641**	219,574
Net anchorage fees	**193,631**	214,819
Pilotage	**60,098**	61,318
Port dues	**64,898**	52,122
Miscellaneous fees	**29,653**	15,908
Net removal of garbage fees	**4,346**	3,071
Net seamen's welfare dues	**162**	660
	577,429	567,472

23. Traffic dues

	2022 Rs'000	2021 Rs'000
Bulk cargo/pipeline dues	**217,760**	166,414
Quay fees	**34,577**	35,235
Miscellaneous	**11,115**	4,469
	263,452	206,118

Notes to the financial statements
For the year ended 30 June 2022 (Contd)

24. Container dues

	2022 Rs'000	2021 Rs'000
Quay Fees - Import	**283,817**	239,167
Quay Fees - Export	**66,372**	60,026
Transhipment	**90,512**	135,702
Repositioning of containers	**3,752**	2,838
	444,453	437,733

25. Investment income

	2022 Rs'000	2021 Rs'000
Investment income represents income from:		
Quoted investments	**6,332**	3,511
Unquoted investments	**18,097**	17,382
	24,429	20,893

26. Finance income

	2022 Rs'000	2021 Rs'000
Interest on:		
Fixed deposits	**27,263**	52,045
Advances to employees	**1,142**	1,218
Loans receivable	**1,901**	2,392
	30,306	55,655

27. Rental income

	2022 Rs'000	2021 Rs'000
Properties held to earn rentals	**207,897**	186,268

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 01 January 2014.

Notes to the financial statements
For the year ended 30 June 2022 (Contd)

28. Other non-operating income

	2022 Rs'000	2021 Rs'000
Insurance claims received	**1,033**	18,171
Pension contribution refunded by Cargo Handling Corporation Limited	**590**	1,156
Others	**1,716**	1,145
Release of capital grant (Note 20)	**4,623**	4,623
	7,962	25,095

29. Employee benefit expenses

	2022 Rs'000	2021 Rs'000
Salaries, wages and allowances	**512,448**	521,961
Pension costs - defined benefit plans (Note 19)	**88,157**	79,800
Social security costs	**21,994**	18,004
	622,599	619,765

30. Administrative expenses

	2022 Rs'000	2021 Rs'000
Professional and legal fees	**19,805**	10,074
General overheads	**3,449**	3,052
Telephone and postage expenses	**2,778**	2,819
Insurance	**5,524**	3,827
Overseas travelling	**1,793**	937
Office supplies	**7,276**	6,095
Subscription fees	**1,452**	1,757
Employee welfare expenses	**686**	987
Board member fees	**1,368**	980
Provision for impairment of inventories	**-**	3,018
Other expenses	**9,368**	9,174
	53,499	42,720

Notes to the financial statements
For the year ended 30 June 2022 (Contd)

31. Surplus for the year

	2022 Rs'000	2021 Rs'000
Surplus for the year is arrived at after charging:		
Depreciation and amortisation	**621,289**	625,796
Employee benefit expenses (Note 29)	**622,599**	619,765
Administrative expenses	**53,499**	42,720
Sundry operating expenses	**27,463**	23,936
Running and repairs of equipment expenses	**91,209**	93,794
Revaluation loss on infrastructure, plant and equipment	**-**	67,623
Loss on disposal of infrastructure, plant and equipment	**464**	23,000
	1,416,523	1,496,634

32. Other comprehensive income

30 June 2022	Investment fair value Rs'000	Reserve fund Rs'000
Increase in fair value of available-for-sale financial assets (Note 15(b))	**34,386**	-
Actuarial gains recognised (Note 19 (viii))	**-**	34,826
	34,386	34,826

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 19 (viii))	-	-	(171,042)
	(399,760)	69,928	(171,042)

33. Receivable from Cargo Handling Corporation Ltd ("CHCL")

At reporting date, the Authority had a receivable of Rs. 48.8 million (2021: Rs. 78.0 million) from CHCL analysed as follows:

	2022 Rs'000	2021 Rs'000
Included in trade and other receivables (Note 7)	**13,890**	13,433
Current portion of loans receivable (Note 8)	**35,232**	31,830
Non-current portion of loans receivable (Note 8)	**-**	33,375
	49,122	78,638

34. Dividends

	2022 Rs'000	2021 Rs'000
Dividend paid	**3,000,000**	-

35. Notes to statement of cash flows

	2022 Rs'000	2021 Rs'000
Cash from operations		
Surplus for the year	**313,891**	233,939
Adjustments for:		
Finance costs	**25,600**	31,473
Depreciation and amortisation	**621,289**	625,796
Investment income	**(24,429)**	(20,893)
Interest income	**(30,306)**	(55,655)
Capital grant	**(4,623)**	(4,622)
Loss on disposal of infrastructure, plant and equipment	**464**	23,000
Loss on revaluation of infrastructure, plant and equipment	**-**	67,623
Increase in provision for retirement benefit obligations	**63,591**	47,680
Exchange loss on borrowings	**32,615**	43,975
Provision for obsolete inventories	**-**	3,018
Exchange gain on loans receivable	**(2,924)**	(3,714)
	995,168	991,620
Changes in working capital:		
Inventories	**4,098**	1,249
Trade and other receivables	**(26,928)**	34,923
Trade and other payables and provision for other liabilities	**68,121**	(18,620)
Cash from operations	**1,040,459**	1,009,172

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 - 2022							
Cargo Handling Corporation Limited	**-**	**155,750**	**1,690**	**32,602**	**-**	**35,232**	**13,890**
Transactions - 2021							
Cargo Handling Corporation Limited	-	155,750	2,129	25,016	-	65,205	13,433

Key management personnel compensation

	2022 Rs'000	2021 Rs'000
Salaries and short-term employee benefits	**18,009**	13,549
Post-employment benefits	**1,033**	1,204
	19,042	14,753

36. Related party transactions (Contd)

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 2022. The total amount of concession fee recognised during the year has been to the order of Rs. 155.750 million (2021: Rs.155.750 million).

37. Future capital expenditure

The Board has approved capital expenditure for an aggregate amount of Rs. 1.4 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;
- Implementation of a new CCTV System; and
- Implementation of IT system.

38. Commitments

Capital commitments

Capital expenditure contracted for at the end of the reporting period but not yet incurred is as follows:

	2022 Rs'000	2021 Rs'000
Infrastructure, Plant and Equipment	**372,176**	547,132

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 Worker's Rights Act 2019.

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

	2022 Rs'000	2021 Rs'000
Rental income earned from leased properties	**207,897**	186,268

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.

42. Other risks faced by the Authority

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 legal 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.

Notes to the financial statements
For the year ended 30 June 2022 (Contd)

42. Other risks faced by the Authority (Contd)

Environment and strategy risks (Contd)

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.

43. Fair value estimation

43.1 Fair value estimation of 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 2022 and 30 June 2021:

	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
At 30 June 2022				
Available-for-sale financial assets	**208,148**	**42,104**	**421,213**	**671,465**
At 30 June 2021				
Available-for-sale financial assets	207,764	40,191	389,124	637,079

There were no transfers between the levels during the years ended 30 June 2022 and 30 June 2021.

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.

Notes to the financial statements
For the year ended 30 June 2022 (Contd)

43. Fair value estimation (Contd)

43.1 Fair value estimation of financial instruments (Contd)

Level 3 fair value measurements

	2022 Rs'000	2021 Rs'000
At 01 July	**389,124**	382,763
Fair value gains for the year	**32,089**	6,361
At 30 June	**421,213**	389,124

43.2 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 2022	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
Infrastructure, plant and equipment	-	-	**11,378,284**	**11,378,281**
Land and buildings	-	-	**1,080,002**	**1,080,002**
Investment property	-	-	**9,482,072**	**9,482,072**

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

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 2020.

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.

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.

43. Fair value estimation (Contd)

43.2 Fair value estimation for non-financial instruments (Contd)

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; and
- Discussions with local representatives and installation contractors.

The level 3 fair value reconciliation is shown in Notes 12 and 13 respectively.

44. Events after reporting date

There have been no significant events after the reporting date which require disclosures or amendments to the financial statements.

NOTES

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