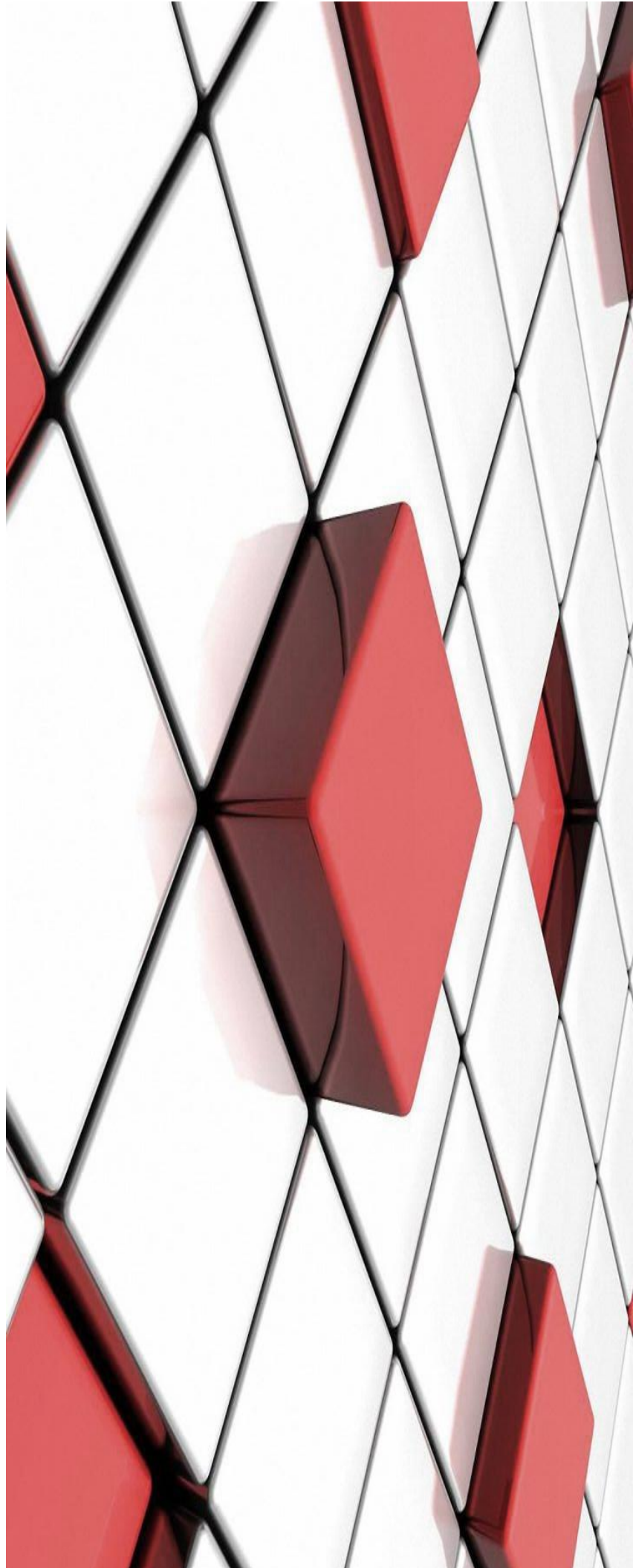


# 2016

## ANNUAL REPORT

District Council of Rivière  
du Rempart

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## ABBREVIATIONS

**DCRR**  
**IAS**  
**IFRS**  
**MN/M**  
**RS**  
**NGO**  
**GIA**  
**FY**

District Council of Rivière du Rempart  
International Accounting Standards  
International Financial Reporting Standards  
Million  
Rupee (Mauritian Currency)  
Non-Governmental Organization  
Grant In Aid  
Financial Year

## **Reporting Period**

The report covers the period spanning 1 January 2016 to 30 June 2016. Material events taking place after this date and until approval by Council at its meeting on 15 December 2016 have also been taken into consideration.

## **Reporting requirements**

The financial statements have been prepared in accordance with Section 133 of the Local Government Act 2011, the International Financial Reporting Standards (IFRS) and the International Accounting Standards (IAS) and relevant regulatory requirements.

## ACTIVITIES AND PROJECTS

**Sport Activity**  
(including grant to NGO)  
Rs 110,697

**Cultural Activity**  
Rs 257,508

**Social Activity** (including grant to NGO)  
Rs 464,096

**Other Activities**  
(including Twinning,  
Educational &  
Environmental)

**Rs 85 m**

entrusted to  
DCRR through  
GIA in FY16

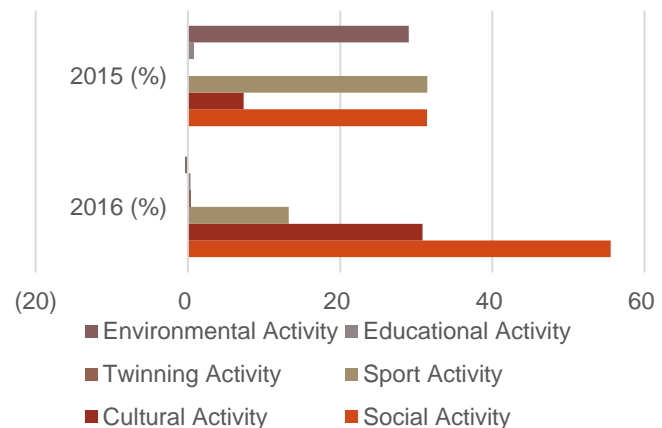
Rs 37 m Spent on 19 projects

In the half year of 2016, almost 86% (approx. Rs 721,603) of the budget was allocated to social and cultural activities.

A special grant of Rs 72 Million was approved by the Ministry of Finance and Economic Development for the uplifting of public amenities and Rs 10 Million was also approved for minor capital projects.

From the right chart, comparing the social and cultural activities (*having the year 2015 semi-annualized*), it can be observed that funding of both activities has raised by approximately Rs 285,926, evidently contributing to the welfare of the inhabitants of the villages administered by the District Council.

**Activities and Projects Comparison between FY 2016 & FY 2015**



**The five largest projects financed by the Government Grant through District Council of Rivière du Rempart in FY 16 are:**

Projects	Rs (M)
Road Resurfacing	12.1
Rehabilitation of drains	4.4
New roads	7.4
LED lanterns	4.6
Hand Rails	3.2

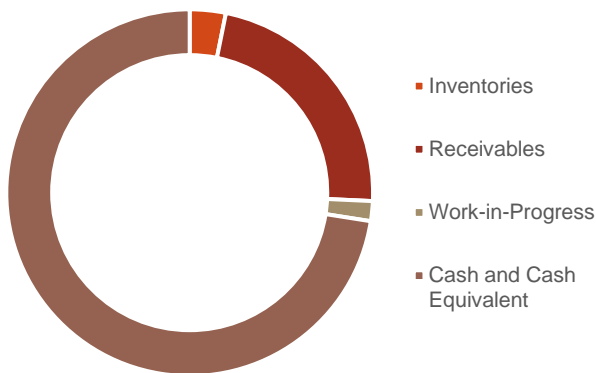
## FINANCIAL POSITION STATEMENT ANALYSIS

### Assets

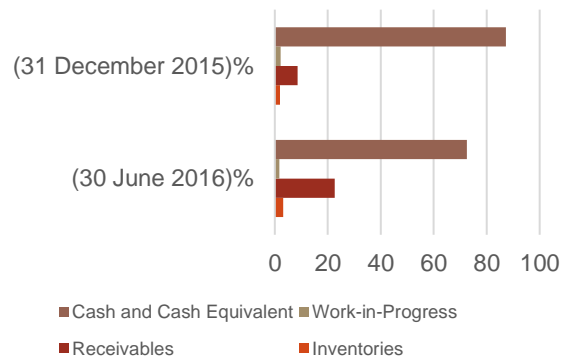
Total assets under Council's management amount to approximately Rs 252.3 M as at 30 June 2016 compared to the amount of approximately Rs 218.9 M as at 31 December 2015. There was a positive increase of 15% (approx. Rs 33.4 M).

Below diagrams show the distribution of the current assets in terms of percentage and the comparison of these assets between 2016 and 2015.

Assets as at 30 June 2016 - %



Assets Comparison between 2016 & 2015



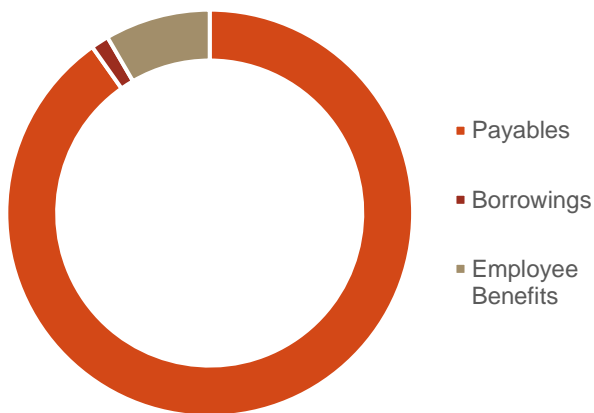
From the left chart, it can be illustrated that cash and cash equivalent and receivables are the major current assets of the Council. Hence, the strong growth (shown in the right chart) in both cash and cash equivalent and receivables have translated into a significant increase in the total liquid assets.

## Liabilities

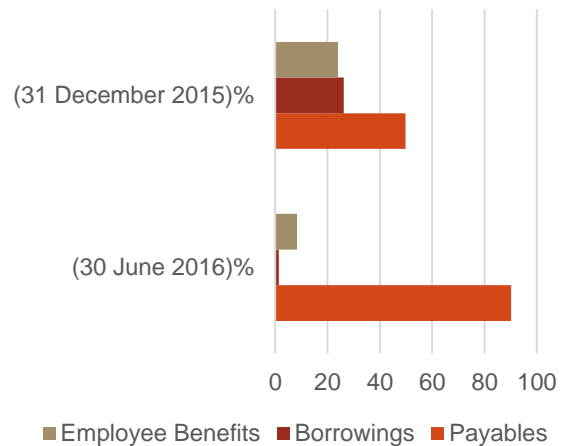
Short term liability amounts to approximately Rs 157.6 M as at 30 June 2016 compared to the amount of approximately Rs 55.7 M as at 31 December 2015. This increase (*approx. Rs 129.8 M*) in liability has certainly influence the total net assets, resulting in a decrease of Rs 69.2 M in 2016, with a negative value of Rs 46.7 M.

Below diagrams show the distribution of the current liabilities in terms of percentage and the comparison of these liabilities between 2016 and 2015.

Liabilities as at 30 June 2016 - %



Liabilities Comparison between 2016 & 2015

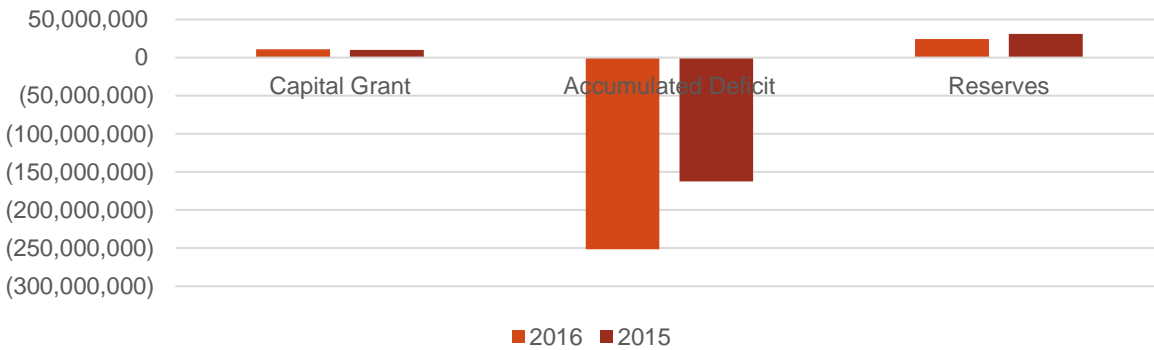


From the left chart, it can be illustrated that payables are the major current liabilities of the Council. Hence, the significant increase (*shown in the right chart*) in payables have rendered into a strong negative value in the total net assets in 2016.

## Capital and Reserves

	2016	2015
	Rs	Rs
Capital Grant	10,862,920	10,147,162
Accumulated Deficit	(251,513,580)	(162,681,039)
Reserves	24,495,456	31,003,306

### Capital and Reserves Comparison between 2016 & 2015



From the above chart, it can be seen that there has been no significant movement in capital grant. The decrease of 21% (approx. Rs 66.5 M) from FY 2015 to FY 2016 in reserve is mainly due to the increase in retirement benefit obligation in FY 2016. The deficit in FY 2016 has led to a significant increase (55%) in accumulated deficit from FY 2015 to FY 2016.

## Revenue

The major source of revenue is from the grant-in-aid received from the central government, secondly trade fees collected from the economic operators excluding those involve in the tourism enterprise and advertising on structures, thirdly from the license fee on the building and land use permit, and lastly from other minor sources like burial fee, incineration fee, rental fee, bus toll fee and advertising fee, as shown in the two tables below.

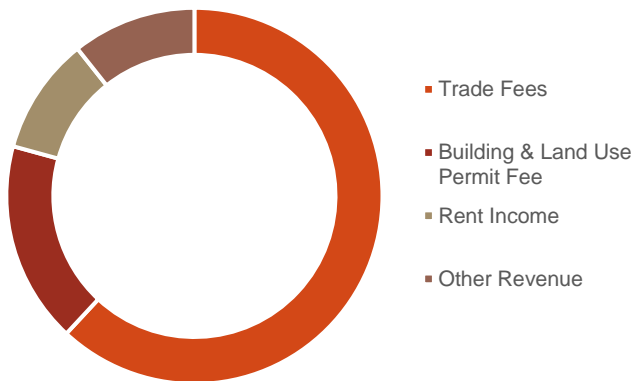
### Government Grant

	2016 (Half year)	2015
	Rs	Rs
Capital Grant	10,862,920	10,147,162
Recurrent Revenue	110,062,560	159,679,294

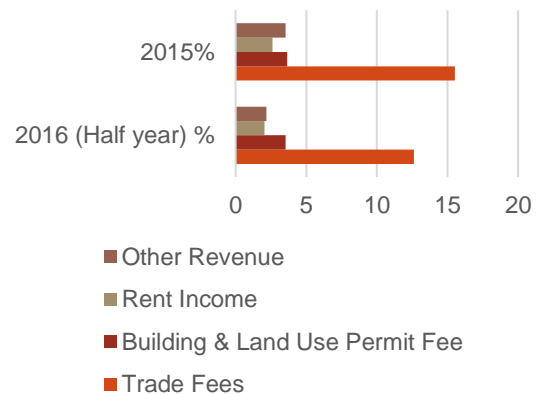
### Internally Generated Revenue

	2016 (Half year)	2015
	Rs	Rs
Trade Fees	17,488,400	33,385,700
Building & Land Use Permit Fee	4,895,078	7,851,727
Rent Income	2,840,955	5,605,760
Other Revenue	3,016,905	7,609,694

Revenue 2016 (Half year) %



Revenue Comparison between half year 2016 & 2015



The overall revenue of the Council for the half year ended 30 June 2016 is approximately Rs 138.6 M. In the right chart, comparing to the year 2015 (*having the year semi-annualized*), the overall revenue experienced a growth of approximately Rs 31.1 M, where trade fees internally contributed an increase of Rs 795,550.

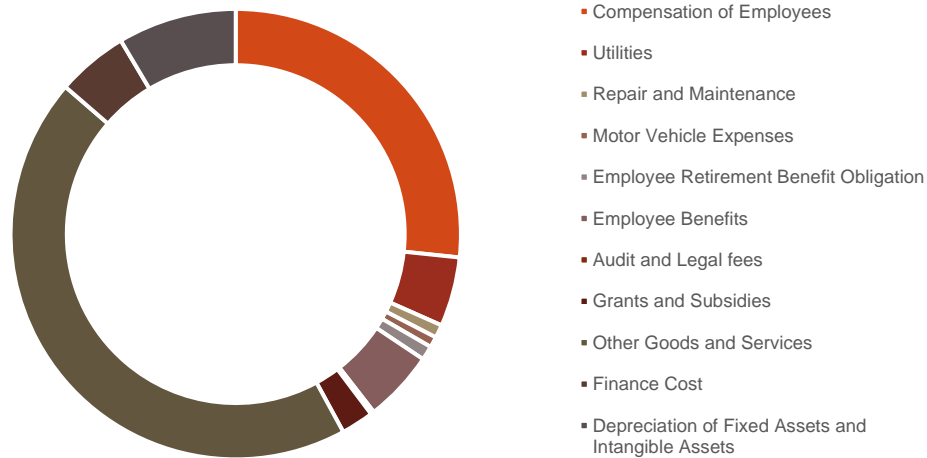


## Expenditure

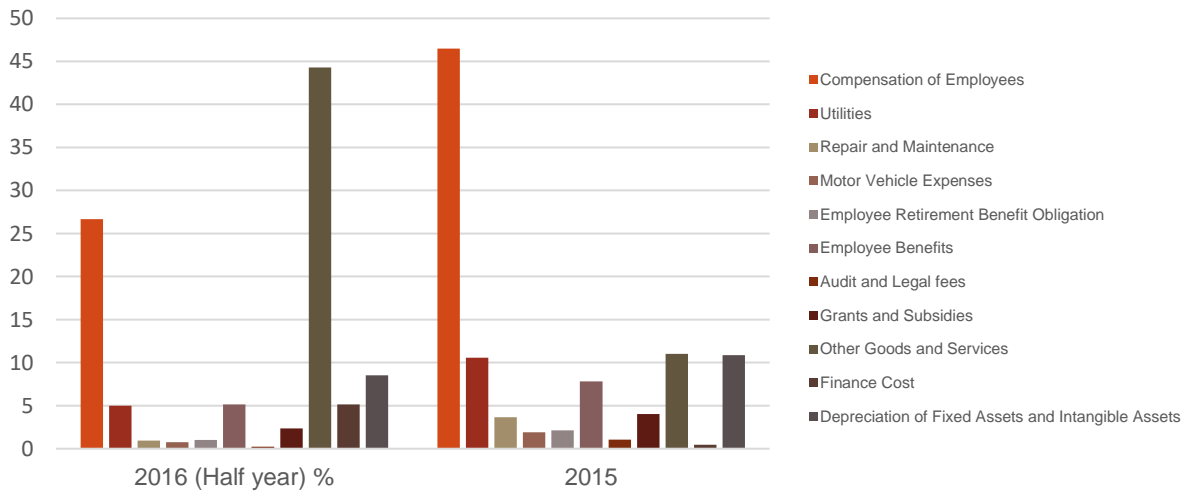
The overall expenditure of the Council for the half year ended 30 June 2016 is approximately Rs 227.4 M compared to approximately Rs 108.6 M for the year 2015 (*having the year semi-annualized*). This significant increase is mainly due to the compensation on damages amounting to approximately Rs 83M and the interest payable amounting to Rs 11M payable in relation to the Arbitration Case.

The diagram below illustrates a detailed view of the expenses for the different categories.

Expenditure 2016 (Half year) - %



Expenditure Comparison between half year ended 2016 & 2015



*Financial*

*Statements*

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	Notes <sup>1</sup>	30 June 2016	31 December 2015
		Rs	Rs
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Public Infrastructure, Plant and Equipment	4	91,796,901	80,405,653
Land	6	48,242,289	48,242,289
Intangible Assets	5	263,086	268,454
Investments	15	-	732,252
Receivables	8	1,046,873	1,236,124
		<b>141,349,150</b>	<b>130,884,772</b>
<b>CURRENT ASSETS</b>			
Inventories	7	3,519,364	1,750,362
Receivables	8	25,035,764	7,566,096
Work-in-Progress	30	1,948,290	1,897,403
Cash and Cash Equivalent	9	80,460,622	76,840,535
		<b>110,964,040</b>	<b>88,054,396</b>
<b>CURRENT LIABILITIES</b>			
Payables	10	142,203,173	27,735,904
Borrowings	11	2,224,000	14,562,539
Employee Benefits	12	13,218,919	13,357,843
		<b>157,646,092</b>	<b>55,656,286</b>
<b>NET CURRENT ASSETS / ( LIABILITIES )</b>		(46,682,051)	32,398,110
<b>LESS: NON-CURRENT LIABILITIES</b>			
Borrowings	11	14,048,000	14,510,000
Deferred Income	14	93,370,425	79,947,969
Employee Benefits	12	54,419,348	50,361,595
Employee Retirement Benefit Obligation	13	148,984,530	139,993,888
		<b>310,822,302</b>	<b>284,813,452</b>
<b>NET ASSETS / ( LIABILITIES )</b>		<b>(216,155,204)</b>	<b>(121,530,571)</b>
<b>CAPITAL AND RESERVES</b>			
Capital Grant	14	10,862,920	10,147,162
Accumulated Deficit		(251,513,580)	(162,681,039)
Reserves	16	24,495,456	31,003,306
<b>TOTAL NET ASSETS ( LIABILITIES ) / EQUITY</b>		<b>(216,155,204)</b>	<b>(121,530,571)</b>

*Approved by Council at its meeting of 15 December 2016*

<sup>1</sup> The notes 1 to 33 are an integral part of the financial statements.

## STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 30 JUNE 2016

	Notes	Six Months Ended 30 June 2016	Year Ended 31 December 2015
		Rs	Rs
<b>Revenue</b>			
Trade Fees		17,488,400	33,385,700
Government Grant	14	110,062,560	159,679,294
Building & Land Use Permit Fee		4,895,078	7,851,727
Interest Income		304,511	849,893
Rent Income	17	2,840,955	5,605,760
Other Revenue	17	3,016,905	7,609,694
<b>Total Revenue</b>		<b>138,608,408</b>	<b>214,982,069</b>
<b>Expenses by Nature:</b>			
Compensation of Employees	18	60,625,140	100,993,836
Utilities	19	11,341,446	22,965,156
Repair and Maintenance	20	2,139,444	7,947,838
Motor Vehicle Expenses	21	1,744,126	4,178,406
Employee Retirement Benefit Obligation	13	2,315,193	4,638,156
Employee Benefits	27	11,656,246	16,980,940
Audit and Legal fees	22	550,207	2,279,709
Grants and Subsidies	23	5,320,661	8,746,175
Other Goods and Services	24	100,701,256	23,945,315
Finance Cost	26	11,660,578	959,450
Depreciation of Fixed Assets and Intangible Assets	4	19,386,653	23,579,684
<b>Total Expenses</b>		<b>227,440,949</b>	<b>217,214,664</b>
<b>Surplus / ( Deficit ) for the period/ year</b>		<b>( 88,832,541 )</b>	<b>( 2,232,595 )</b>
<b>Other Comprehensive Income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Passage Fund		167,599	273,523
Employee Retirement Benefit Obligation	13	( 6,675,449 )	( 19,562,639 )
Land revaluation		-	28,712,320
<b>Total Comprehensive Surplus / ( Deficit )</b>		<b>( 95,340,391 )</b>	<b>7,190,609</b>



## STATEMENT OF CHANGES IN NET ASSETS / EQUITY FOR THE HALF YEAR ENDED 30 JUNE 2016

	Capital Grant	Passage Fund	Retirement Benefit Obligation Reserve	Land Revaluation Reserve	Accumulated Deficit	Total
	Rs	Rs	Rs	Rs	Rs	Rs
<b>Balance At 01 January 2014 (Re-stated 2013)</b>	<b>67,070,699</b>	-	-	-	<b>( 188,626,877 )</b>	<b>( 121,556,178 )</b>
Surplus for the year	-	-	-	-	28,178,432	28,178,432
Other Comprehensive Income for the year	-	2,050,133	-	-	-	2,050,133
Land revaluation	-	-	-	19,529,969	-	19,529,969
Capital Grant Received	30,715,387	-	-	-	-	30,715,387
Grant Deferred	(16,478,113)	-	-	-	-	( 16,478,113 )
Deferred Income	( 63,827,800 )	-	-	-	-	( 63,827,800 )
<b>Balance At 31 December 2014</b>	<b>17,480,173</b>	<b>2,050,133</b>	-	<b>19,529,969</b>	<b>( 160,448,445 )</b>	<b>( 121,388,170 )</b>
Surplus for the year	-	-	-	-	( 2,232,595 )	( 2,232,595 )
Other Comprehensive Income for the year	-	273,523	( 19,562,639 )	28,712,320	-	9,423,204
Capital Grant Received for the year	23,040,361	-	-	-	-	23,040,361
Transfer to Deferred Income	( 30,373,372 )	-	-	-	-	( 30,373,372 )
<b>Balance At 31 December 2015</b>	<b>10,147,162</b>	<b>2,323,656</b>	<b>( 19,562,639 )</b>	<b>48,242,289</b>	<b>( 162,681,040 )</b>	<b>( 121,530,572 )</b>
<b>Balance At 01 January 2016</b>	<b>10,147,162</b>	<b>2,323,656</b>	<b>( 19,562,639 )</b>	<b>48,242,289</b>	<b>( 162,681,040 )</b>	<b>( 121,530,572 )</b>
Surplus for the period	-	-	-	-	( 88,832,541 )	( 88,832,541 )
Other Comprehensive Income for the period	-	167,599	( 6,675,449 )	-	-	( 6,507,850 )
Land revaluation	-	-	-	-	-	-
Capital Grant Received for the period	715,758	-	-	-	-	715,758
<b>Balance At 30 June 2016</b>	<b>10,862,920</b>	<b>2,491,255</b>	<b>( 26,238,088 )</b>	<b>48,242,289</b>	<b>( 251,513,581 )</b>	<b>( 216,155,205 )</b>

## STATEMENT OF CASH FLOW FOR THE HALF YEAR ENDED 30 JUNE 2016

	Notes	Six Months Ended 30 June 2016	Year Ended 31 December 2015
		Rs	Rs
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Surplus / ( Deficit ) for the year		( 88,832,541 )	( 2,232,595 )
<b>Adjustments for:</b>			
Prior year adjustments		-	
Finance Charge		11,660,578	959,450
Provision for Employee Retirement Benefit Obligation		2,315,193	4,638,156
Depreciation of Fixed Assets and Intangible Assets	4	19,386,653	23,579,684
Movement in land revaluation reserve		-	( 28,712,320 )
		<b>( 55,470,117 )</b>	<b>( 1,767,625 )</b>
<b>Movement in Working Capital:</b>			
(Increase)/Decrease in Inventories		( 1,769,002 )	643,044
Increase/(Decrease) in Payables		114,467,269	( 6,392,769 )
Increase/(Decrease) in Deferred Income	14	13,422,456	16,120,169
Increase/(Decrease) in Capital Grant		715,758	( 7,333,010 )
(Increase)/Decrease in Receivables		( 17,280,418 )	( 2,437,683 )
(Increase)/Decrease in Work-In-Progress		( 50,887 )	(619,094)
Increase/(Decrease) in Employee Benefits		3,918,829	7,008,622
<b>Net Cash flows from operating activities</b>		<b>57,953,887</b>	<b>5,221,654</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of Fixed Assets	4	( 30,727,534 )	( 36,313,604 )
Acquisition of Intangible Assets	4	( 45,000 )	( 357,938 )
Vesting of land		-	28,712,320
Additions in Investments		732,252	0
Investment income		167,599	273,523
<b>Net Cash Flows from investing activities</b>		<b>( 29,872,683 )</b>	<b>( 7,685,698 )</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of Borrowings		( 12,800,539 )	10,114,539
Finance Charge		( 11,660,578 )	( 959,450 )
<b>Net Cash Flows from financing activities</b>		<b>( 24,461,117 )</b>	<b>9,155,089</b>
<b>Net Increase/(decrease) in Cash and Cash Equivalents</b>		<b>3,620,087</b>	<b>6,691,045</b>
<b>Cash and Cash Equivalents at beginning of year</b>		<b>76,840,535</b>	<b>70,149,490</b>
<b>Cash and Cash Equivalents at end of year</b>		<b>80,460,622</b>	<b>76,840,535</b>

*Accounting Policies  
&  
Notes to accounts*



## NOTES TO FINANCIAL STATEMENTS

For the half year ended 30 June 2016

### 1. GENERAL INFORMATION

The District Council of Rivière du Rempart is a corporate body established under the Local Government Act 2011, Part II Section 3 and 7. The place of management is at Royal Road, Mapou.

The District Council is responsible for overseeing the administration of the Rivière du Rempart District area and its 19 villages.

### 2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS AND SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

#### A. Basis of Preparation and Statement of Compliance

The financial statements have been prepared in accordance with Section 133 of the Local Government Act 2011, the International Financial Reporting Standards and the International Accounting Standards.

The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

#### B. Application of new and revised International Financial Reporting Standards

In current year, the Council has adopted all of the new and amended Standards and Interpretations issued by the International Accounting Standards Board (the "IASB") and the International Financial Reporting Interpretations Committee (the "IFRIC") of the IASB that are relevant to its operations and mandatory for application for the financial year. The adoption of these new or amended IFRS and interpretations has not resulted in substantial changes to the accounting policies of the Council and have had no material effect on the amounts reported for the current or prior financial years.

At the date of authorization of these financial statements, the following Standards and Interpretations have already been issued but not effective:

Description	Issue Date	Effective Date Annual periods commencing on
<p><b>IFRS 1 First-time Adoption of International Financial Reporting Standards</b></p> <p>(Amendments resulting from Annual Improvements 2014–2016 Cycle (removing short-term exemptions))</p>	December 2016	Annual periods beginning on or after 1 January 2018
<p><b>IFRS 2 Share-based Payment</b></p> <p>(Amendments to clarify the classification and measurement of share-based payment transactions)</p>	June 2016	Annual periods beginning on or after 1 January 2018
<p><b>IFRS 4 Insurance Contracts</b></p> <p>Amendments regarding the interaction of IFRS 4 and IFRS 9</p>	September 2016	An entity choosing to apply the overlay approach retrospectively to qualifying financial assets does so when it first applies IFRS 9. An entity choosing to apply the deferral approach does so for annual periods beginning on or after 1 January 2018.
<p><b>IFRS 12 Disclosure of Interests in Other Entities</b></p> <p>Amendments resulting from Annual Improvements 2014–2016 Cycle (clarifying scope)</p>	December 2016	Annual periods beginning on or after 1 January 2017
<p><b>IFRS 15 Revenue from Contracts with Customers</b></p>	September 2015	Annual periods beginning on or after 1 January 2018
<p><b>IFRS 16 Leases</b></p>	January 2016	Annual periods beginning on or after 1 January 2019
<p><b>IAS 7 Statement of Cash Flows</b></p> <p>Amendments as result of the Disclosure initiative</p>	January 2016	Annual periods beginning on or after 1 January 2017
<p><b>IAS 12 Income Taxes</b></p> <p>Amendments regarding the recognition of deferred tax assets for unrealized losses</p>	January 2016	Annual periods beginning on or after 1 January 2017
<p><b>IAS 28 Investments in Associates and Joint Ventures</b></p> <p>Amendments resulting from Annual Improvements 2014–2016 Cycle (clarifying certain fair value measurements)</p>	December 2016	Annual periods beginning on or after 1 January 2018
<p><b>IAS 40 Investment Property</b></p> <p>Amendments to clarify transfers of property to, or from, investment property)</p>	December 2016	Annual periods beginning on or after 1 January 2018

### **IFRS 16 leases**

The Council currently leases a hall for one of its village council. Under the IFRS 16 lease, the Council will have to account for right-of-use asset and a corresponding liability in its statement of financial position.

The Council anticipates that the adoption of the remaining standards in the future periods will have no material effect on the financial statements.

## **C. Significant Accounting Policies**

### **(a) Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the District Council and the revenue can be reliably measured, regardless of when the payment is received.

The general policy of the Council is to recognize revenue on an accrual basis with the substance of the relevant agreement.

- (i) School fees, advertising fees and bus toll are accounted for as income on an accrual basis unless collectability is in doubt.
- (ii) Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.
- (iii) Building and land use permit fee, burial and incinerator fees are recognized on an actual basis, that is the amount actually received and/or collected.
- (iv) Trade fee is payable whenever an economic operator or any person carries out a classified trade as stipulated by the Local Government Act 2011 Section 122 (2). It is an offence to carry out such trade without the payment of the appropriate fees. However, there is a high risk that a trader is not operating his trade and has failed to complete the procedure for cessation and thus the probability of payment of outstanding trade fee in the following years is low. Hence, as the collectability of trade fee receivable is not reasonably assured, in accordance with IAS 18 revenue, the District Council has not recognized trade fee on an accrual basis. Trade fee has instead been accounted on an actual basis.
- (v) Interest income arising from investments of the Passage Fund is not accounted in the statement of profit or loss but is instead accounted as equity in the statement of financial position.

**(b) Government Grants**

Government grants are not recognized until there is reasonable assurance that the Council will comply with the conditions attached to them and that the grants will be received.

- (i) Government grants whose primary condition is that the Council should purchase, construct or otherwise acquire non-current assets are recognized as deferred income in the statement of financial position and transferred to the statement of financial performance on a systematic and rational basis over the useful economic lives of the related assets.
- (ii) Other government grants are recognized as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grant-in-aid that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Council with no future related costs are recognized in the statement of financial performance in the period in which they become receivable.

**(c) Public Infrastructure, Plant and Equipment, Land and Intangible Assets****(i) Buildings**

Buildings held for use in the supply of services and for administrative purposes are stated in the financial statements at cost or transfer value, being the fair value at the date of transfer of ownership less any subsequent accumulated depreciation and/or accumulated impairment losses. No revaluation is carried out unless required.

**(ii) Land is maintained at cost and is not depreciated.**

Land vested by Morcellement promoters to the Council are in principle transferred to the Council at the token amount of MUR 1 per plot and the contract of the deed of sale clearly stipulates that the plot of land shall be used only for the purpose for which it has been vested to the Council under the Morcellement Act. The land shall be used only as green space or for social purpose without the right to dispose. These land have been capitalized.

Land vested to the Council by the Ministry of Housing and Lands are in fact vested to the Ministry of Local Government. These land are for community use for the inhabitants of that particular region where the development actually took place, however its maintenance and up-lifting is handed over to Council. The Council has no right to sell it or use for any other purpose. These land have been disclosed in the notes to the Financial Statements.

- (iii) Construction of drains and roads, accommodation of playground and green space, and street lighting costs and resurfacing of existing roads are capitalized under public infrastructure. On the other hand, cost of patching of roads, cost of traffic signs and names plates, maintenance and repairs of public infrastructures are charged to the income statement as expenses in the year they are incurred.
- (iv) Computer and Equipment, Furniture, Fixtures, Fittings, Motor Vehicles, Intangibles are stated at cost less accumulated depreciation and accumulated impairment losses, and stated at its carrying value.

Depreciation is charged so as to write off the cost of fixed assets less the residual value at the annual estimated rates over their useful lives, using the straight line method. The estimated useful lives, residual value and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of performance.

The annual rates are used in the calculation of depreciation:

Building	5%
Public Infrastructure	20%
Computer and Equipment	25%
Furniture, Fixtures and Fittings	10%
Motor Vehicles	20%
Intangible Assets	25%

#### **(d) Inventories**

Inventories are carried at the lower of cost and net realizable value. Inventories are stated at weighted average value or weighted average price of lots of items where balance of the lot is greater than zero. Value for the item of stock is the cost charged by supplier. The Council practices the first in first out basis (FIFO) for the issue of stock items.

### **FINANCIAL ASSETS**

Financial assets are classified as financial assets at fair value through surplus/deficit, loans and receivables, held to maturity investments, and the Council determines the classification of its financial assets at initial recognition.

**(e) Cash and Cash Equivalents**

Cash and cash equivalents comprise cash at bank, cash in hand and short term deposits with financial institutions. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value.

**(f) Receivables and Impairment**

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realized later than 12 months after the balance sheet date which are presented as non-current assets.

Receivables are recognized initially at fair value and subsequently measured at carrying value after adjusting for impairment loss. Impairment loss is charged to the statement of comprehensive income.

A provision for impairment of fees is established when there is objective evidence that the Council will not be able to collect all the amounts according to the original terms of receivables.

**(g) Held-to-Maturity Financial Assets**

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the District Council has the positive intention and ability to hold to maturity. If the District Council were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. They are presented as non-current assets, except for those maturing within 12 months after the balance sheet date which are presented as current assets.

**FINANCIAL LIABILITIES**

Financial liabilities are classified as financial liabilities at their value through surplus or deficit or loans and borrowings, as appropriate and the classification is determined at the initial recognition date. They are recognized at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

The Council's financial liabilities include borrowings, trade and other payables.

Financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires.

Financial liabilities and financial assets are offset and the net amount if any is either settled or realize the assets.

**(h) Trade and Other Payables**

Trade and other payables are stated at their nominal value. All known trade payables are recognized at its cost. They are classified as current liabilities if payment is due within one year. Otherwise, they are presented as non-current liabilities.

**(i) Provisions**

Provisions are recognized when the District Council has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties required to settle the present obligation. When the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

**(j) Contingent liabilities**

The Council does not recognize a contingent liability, but discloses details of any contingency in the notes to the financial statements, unless the possibility of an outflow of resources is remote.

**(k) Retirement Benefit Costs****(i) State Plan**

The Council contributes 6 % of the gross emoluments of part-time employees and employees who are not on a permanent and pensionable establishment to the National Pension Fund.

The Council also contributes 2.5% of the gross emoluments of all employees to the National Savings Fund.

The above contributions are charged to statement of profit or loss in the year they are due.

**(ii) Defined Contribution Plan**

Defined contribution plans are post-employment benefit plans under which the District Council pays fixed contributions (12% of gross emoluments) into another entity, the State Investment Company of Mauritius Limited ("SICOM Ltd"), for new full time employees who joined the Local Authorities from 1 January 2013 onwards. The district council has no further payment obligations once the contributions have been paid. These contributions are charged to statement of profit or loss in the year they are due.

(iii) Retirement Pension to Retirees Before 1 July 2008

The Council pays retirement pension to those employees who retired before 1 July 2008. This is charged to statement of profit or loss in the year it is due.

(iv) Compassionate Allowance

In accordance with the Local Authority Employees (Allowance) Regulations 1964 (GN 159 of 1964) the Council also pays Compassionate Allowance to part time employees who have been in service for more than 5 years on their retirement. This has been computed based on the number of year of services up to the year end, average annual wage for the last 5 years.

(v) Defined Benefit Plan

The Council operates a defined benefit plan, administered by and invested with SICOM Ltd. The pension plan is funded by payment of contribution to the fund (Council: 12% of gross emoluments and employee: 6% of gross emoluments) taking account of the recommendations of the Pay Research Bureau (PRB) report.

Defined benefit plans are post-employment benefit pension plans other than defined contribution plans. Defined benefit plans typically define the amount of benefit that an employee will receive on or after retirement, dependent on factors such as years of service and compensation.

The liability recognized in the balance sheet in respect of a defined benefit pension plan is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognized past-service costs. The defined benefit obligation has been calculated by independent actuaries from SICOM Ltd using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields on bonds.

Actuarial gains and losses arising from changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period when they arise.

Past service costs are recognized immediately in profit or loss.

(vi) Bank of Sick Leave

Employee entitlements to bank sick leave as defined in the PRB report are recognized as and when they accrue to employees. An accrual is made for the estimated liability for bank sick leave.

(vii) Unutilized Vacation Leave

Employee entitlements to vacation leave as defined in the PRB report are recognized as and when they accrue to employees. An accrual is made for the estimated liability for unutilized vacation leave.



### (l) Nature and Purpose of Reserves

The Council creates and maintains reserves in terms of specific requirements.

#### Passage Fund

Enacted under Section 81 of the Local Government Act 2011, a passage fund has been created by the Council to finance the payment of passage benefit to officers transferred from other Local Authorities, from the public service, from a statutory body or from any other institution.

Income derived from investment of the unutilized passage benefit payable to employees of the Council is transferred to equity under the item passage fund.

### (m) Borrowing Costs

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

Investment income earned on the temporary investment of the specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Otherwise all other borrowing costs are recognized in the statement of financial performance in the period in which they are incurred.

The interest rate payable on the government loan is fixed at 5% throughout the repayment period.

## **D. Critical Accounting Estimates, Assumption and Judgements in Applying Accounting Policies and Estimates**

The preparation of the financial statements in conformity with IFRS requires the District Council to make certain accounting estimates and judgements that have an impact on the policies and the amounts reported in the financial statements. Estimates and judgements are continually evaluated and based on historical experiences and other factors, including expectations of future events that are believed to be reasonable at the time such estimates and judgements are made, although actual experience may vary from these estimates.

The estimates and assumptions that have a significant risk of causing adjustment to carrying amounts of assets and liabilities are discussed below:

### (i) Provision for Bad Debts

Provision is made when there is objective evidence that the District Council will not be able to collect certain debts. This is made based on detailed analysis and historical experience.

(ii) Defined Benefit Obligations

The present value of the post-employment pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions such as discount rate, expected salary increase and mortality. Any change in these assumptions will impact the carrying amount of pension obligations.

### **3. FINANCIAL MANAGEMENT RISK**

The District Council is exposed to financial, credit and liquidity risks. The overall risk management of the District Council is focused on the mitigation of liquidity and credit risks and seek to minimize potential adverse effects on the financial performance and service delivery of the Council.

#### **Credit risk**

Credit risk arises from credit exposures to customers. The Council does not consider the need to have an independent rating of its customers. In fact, no trade fee receipt is issued on credit while three-month credit facilities are allowed to holders of market stall in principle.

#### **Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of credit facilities. The Council has appropriate management policy in place to ensure that there is sufficient cash to meet its financial obligations.

## 4. PUBLIC INFRASTRUCTURE, PLANT AND EQUIPMENT

	Building	Public Infrastructure	Computer & Equipment	Furniture, Fixtures & Fittings	Motor Vehicles	Total
	Rs	Rs	Rs	Rs	Rs	Rs
<b>RATE</b>	5%	20%	25%	20%	20%	
<b>COST:</b>						
<b>As at 01 January 2016</b>	18,140,765	26,989,574	13,158,432	1,897,984	22,982,408	83,169,163
Additions	-	30,172,696	483,048	71,790	-	30,727,534
Disposal	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
<b>As at 30 June 2016</b>	18,140,765	57,162,270	13,641,480	1,969,774	22,982,408	113,896,698
<b>DEPRECIATION:</b>						
<b>As at 01 January 2016</b>	1,031,429	10,804,575	3,982,229	738,594	11,548,331	28,105,157
Charge for the year	453,519	5,716,227	1,705,185	196,977	2,298,241	10,370,149
Disposal	-	-	-	-	-	-
<b>As at 30 June 2016</b>	1,484,948	16,520,802	5,687,414	935,571	13,846,571	38,475,306
<b>Carrying Value</b>						
As at 30 June 2016	16,655,817	40,641,468	7,954,066	1,034,203	9,135,836	75,421,391
As at 31 December 2015	17,109,337	16,184,999	9,176,203	1,159,390	11,434,077	55,064,006

Note:

The net book value of the fixed assets approximates their fair values and / the carrying amount.  
All the fixed assets were acquired out of government grant.

#### 4. PUBLIC INFRASTRUCTURE, PLANT AND EQUIPMENT (Continued) FOR FIXED ASSETS ACQUIRED AFTER JULY 2008 AND BEFORE 31 DECEMBER 2012

	Building	Public Infrastructure	Computer & Equipment	Furniture, Fixtures & Fittings	Motor Vehicles	Other	Total
	RS	RS	RS	RS	RS	RS	RS
<b><u>RATE</u></b>	5%	20%	25%	20%	20%	20%	
<b><u>COST:</u></b>							
<b>As at 01 January 2012</b>	23,674,377	51,690,260	5,199,434	2,370,143	17,419,905	369,213,865	469,567,984
Additions	4,931,025	26,278,131	1,011,511	1,827,930	10,095,100	3,474,258	47,617,955
Disposal	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
<b>As at 31 December 2012</b>	<b>28,605,402</b>	<b>77,968,391</b>	<b>6,210,945</b>	<b>4,198,073</b>	<b>27,515,005</b>	<b>372,688,123</b>	<b>517,185,939</b>
<b><u>DEPRECIATION:</u></b>							
<b>As at 01 January 2012</b>	2,320,894	21,993,173	3,607,758	1,137,709	6,085,862	364,843,638	399,989,034
Charge for the year	1,430,270	15,593,678	1,552,736	839,615	5,503,001	2,034,749	26,954,049
Disposal	-	-	-	-	-	-	-
<b>As at 31 December 2012</b>	<b>3,751,164</b>	<b>37,586,851</b>	<b>5,160,494</b>	<b>1,977,324</b>	<b>11,588,863</b>	<b>366,878,387</b>	<b>426,943,083</b>
<b><u>NET BOOK VALUE</u></b>							
As at 31 December 2012	24,854,238	40,381,540	1,050,451	2,220,749	15,926,142	5,809,736	90,242,856

	Building	Public Infrastructure	Computer & Equipment	Furniture, Fixtures & Fittings	Motor Vehicles	Other	Total
<b>COST</b>							
Net Book Value Allocated to Council	12,427,119	20,190,770	525,225	1,110,375	7,963,071	2,904,868	45,121,428
Depreciation 31 December 2013	621,356	4,038,154	131,306	222,075	1,592,614	580,974	7,186,479
<b>Net Book Value as at 31 December 2013</b>	<b>11,805,763</b>	<b>16,152,616</b>	<b>393,919</b>	<b>888,300</b>	<b>6,370,457</b>	<b>2,323,894</b>	<b>37,934,949</b>
Depreciation charged	621,356	4,038,154	131,306	222,075	1,592,614	580,974	7,186,479
<b>Net Book Value as at 31 December 2014</b>	<b>11,184,407</b>	<b>12,114,462</b>	<b>262,613</b>	<b>666,225</b>	<b>4,777,843</b>	<b>1,742,920</b>	<b>30,748,470</b>
<b>Additions LD released on Market</b>	<b>3,559,313</b>						<b>3,559,313</b>
Depreciation on LD	1,779,657						1,779,657
Depreciation charged	621,356	4,038,154	131,306	222,075	1,592,614	580,974	7,186,479
<b>Net Book Value as at 31 December 2015</b>	<b>12,342,707</b>	<b>8,076,308</b>	<b>131,307</b>	<b>444,150</b>	<b>3,185,229</b>	<b>1,161,946</b>	<b>25,341,647</b>
Additions	-	-	-	-	-	-	-
Depreciation charged	2,401,013	4,038,154	131,307	222,075	1,592,614	580,974	8,966,137
<b>Net Book Value as at 30 June 2016</b>	<b>9,941,694</b>	<b>4,038,154</b>	<b>-</b>	<b>222,075</b>	<b>1,592,615</b>	<b>580,972</b>	<b>16,375,510</b>

Capital Outlay and its corresponding Capital Grant Applied of the Ex-Pamplemousses/Rivière du Rempart District Council was distributed equally.

**5. INTANGIBLE ASSETS – SOFTWARE**

	2016	2015
Cost	RS	RS
As at 01 January	357,938	-
Addition	45,000	357,938
As at 31 December	402,938	357,938
Depreciation		
As at 01 January	89,484	-
Charge for the year	50,367	89,484
As at 31 December	139,851	89,484
Carrying Value	<b>263,086</b>	<b>268,454</b>

**6. LAND**

	2016	2015
	RS	RS
Land transferred to Council		
As at 01 January	48,242,289	19,529,969
Vested	-	28,712,320
Revaluation	-	-
As at 31 December	<b>48,242,289</b>	<b>48,242,289</b>

**Land Vested to Council for maintenance and administration**

Land belonging to Ministry of Housing and Lands and the Ministry of Local Government which have been handed to the Council for maintenance purpose only are as disclosed below. These land have not been capitalized.

	Area/m <sup>2</sup>
Land for Cremation Grounds and Cemeteries	9,857
Land for Village Halls	15,233
Land for Recreational Activities	88,880
Land for Green Space	11,783
Land for Markets	12,060
Land of Traffic Centers	22,350
	<b>160,163</b>

**7. INVENTORIES**

	2016	2015
	RS	RS
Street Lanterns with Brackets	1,563,100	653,220
Spare Parts, Stationery, Materials and Other Office Consumables	(516,227)	1,097,142
	<b>1,046,873</b>	<b>1,750,362</b>

**8. RECEIVABLES**

	2016	2015
	RS	RS
Market Fee	3,662,689	3,715,900
Bus Toll	2,027,325	1,961,475
Advertising Fee	112,550	22,500
Advance to Employees	1,452,452	1,677,769
Government Grant	18,262,524	966,304
Other Receivables	565,098	458,272
	<b>26,082,638</b>	<b>8,802,219</b>

**9. CASH AND CASH EQUIVALENT**

	2016	2015
	RS	RS
Cash in Hand	24,850,006	22,534,733
Cash at Bank	-	-
Short Term Deposits	921,158	1,002,272
	<b>25,771,164</b>	<b>23,537,004</b>

The short term deposits pertain to fixed deposits held with financial institutions. The details are as per below:

<i>Amount/MUR</i>	<i>Interest rate</i>	<i>Maturity date</i>
10,000,000	Fixed rate of 5%	30-Aug-12
732,252	Floating rate of 0.75% over SBM savings rate	26-Jan-13

**10. PAYABLES**

	2016	2015
	RS	RS
Accounts Payables to Suppliers	31,385,006	14,989,779
Accruals and Retention Money on Contracts	5,990,447	2,806,248
Prepayment and Other Payables	1,177,057	560,323
Deposits	5,667,489	6,438,114
Way leaves	2,941,440	2,941,440
Provisions	95,041,734	0
	<b>142,203,173</b>	<b>27,735,904</b>

**11. BORROWINGS**

	2016	2015 (Restated)
	RS	RS
Balance at Start	29,072,539	18,958,000
New Borrowing	-	12,338,539
Reimbursement	( 12,800,539 )	( 2,224,000 )
Balance at Close	<b>16,272,000</b>	<b>29,072,539</b>
<u>Payable as follows:</u>		
<b>Current - Before One Year</b>	<b>2,224,000</b>	<b>14,562,539</b>
After One Year and Before Five Years	3,696,000	4,346,000
After Five Years	10,352,000	10,164,000
<b>Non-Current</b>	<b>14,048,000</b>	<b>14,510,000</b>

The borrowing comprising of loan, advance from the Government and advance Government Grant in Aid is unsecured. The loan is repayable in instalments by 30 June 2032 whilst the advance by 30 June 2017. The advance Government Grant in Aid has been paid during the financial year.

Interest is fixed at 5%. Advance Government Grant in Aid is not subject to interest.

**12. EMPLOYEE BENEFITS**

	2016	2015
	RS	RS
Provision for Unutilized Sick Leave Pay	3,248,765	2,885,252
Provision for Passage Benefit	9,397,730	9,836,944
Provision for Retirement Benefit	54,991,772	50,997,243
	<b>67,638,267</b>	<b>63,719,438</b>
Current Liabilities	<b>13,218,919</b>	<b>13,357,843</b>
Non-Current Liabilities	<b>54,419,348</b>	<b>50,361,595</b>

Provision for retirement benefit includes provision for unutilized vacation, provision for bank of sick leave and provision for compassionate allowance payable on retirement to eligible employees.



## 13. EMPLOYEE RETIREMENT BENEFIT OBLIGATION

EMPLOYEE RETIREMENT BENEFIT OBLIGATION	2016	2015
	RS	RS
<b>Amounts recognized in balance sheet at end of period/year:</b>		
Defined benefit obligation	220,487,324	205,052,264
Fair value of plan assets	(71,502,794)	( 65,058,376 )
	148,984,530	139,993,888
Liability recognized in statement of financial position at end of period/year		
<b>Amounts recognized in income statement:</b>		
Service cost:		
Current service cost	3,989,750	8,029,977
Past service cost	0	-
(Employee contributions)	(1,879,027)	( 3,409,142 )
Fund Expenses	130,199	180,874
Net Interest expense/(income)	4,810,176	8,347,775
Profit Loss Charge	7,051,098	13,149,484
Remeasurement:		
Liability (gain)/loss	6,553,783	5,157,686
Assets (gain)/loss	1,042,825	14,484,422
Total Other Comprehensive Income (OCI) recognized	7,596,608	19,642,108
<b>Total</b>	<b>14,647,706</b>	<b>32,791,592</b>
<b>Movements in liability recognized in balance sheet:</b>		
At start of period/ year	139,993,888	115,793,093
Amount recognized in P&L	7,051,098	13,149,484
(Actuarial Reserves transferred in)	(921,159)	(79,469)
(Employer Contributions)	(3,756,896)	(6,815,495)
(Direct benefits paid by Employer)	(979,009)	(1,695,833)
Amount recognized in OCI	7,596,608	19,642,108
At end of period/year	148,984,530	139,993,888
Actual return on plan assets:	<b>449,803</b>	<b>1,431,113</b>

The plan is a defined benefit arrangement for the employees and it is only funded for pensionable service as from 1 July 2008. The assets of the funded plan are held independently and administered by The State Insurance Company of Mauritius Ltd.

**13. EMPLOYEE RETIREMENT BENEFIT OBLIGATION – CONTINUED**

	2016	2015
	RS	RS
<b>Reconciliation of the present value of defined benefit obligation</b>		
Present value of obligation at start of period/year	205,052,264	181,120,769
Current service cost	3,989,750	8,029,977
Interest cost	7,176,829	13,584,057
(Benefits paid)	(2,285,302)	(2,840,225)
Liability (gain)/loss	6,553,783	5,157,686
Present value of obligation at end of period/year	<b>220,487,324</b>	<b>205,052,264</b>
<b>Reconciliation of fair value of plan assets</b>		
Fair value of plan assets at start of period/year	65,058,376	65,327,676
Expected return on plan assets	2,366,653	5,236,282
Employer contributions	3,756,896	6,815,495
Employee contributions	1,879,027	3,409,142
Actuarial Reserves transferred in	921,159	79,469
(Benefits paid, Assurance, Fees and Other Outgoings)	(1,436,492)	(1,325,266)
Asset gain/(loss)	(1,042,825)	(14,484,422)
Fair value of plan assets at end of period/year	<b>71,502,794</b>	<b>65,058,376</b>
<b>Distribution of plan assets at end of period/year</b>		
<b>Percentage of assets at end of year</b>		
	2016	2015
Fixed Interest Securities and cash	58.40%	58.10%
Loans	4.50%	4.30%
Local equities	14.60%	15.90%
Overseas bonds and equities	21.80%	21.00%
Property	0.70%	0.70%
Total	<b>100%</b>	<b>100%</b>

**Additional disclosure on assets issued or used by the Council**

	2016	2015
	(%)	(%)
Percentage of assets at end of period/year		
Assets held in the entity's own financial instruments	-	-
Property occupied by the entity	-	-
Other assets used by the entity	-	-

**13. EMPLOYEE RETIREMENT BENEFIT OBLIGATION - CONTINUED**

	2016	2015
	RS	RS
<b>Components of the amount recognized in OCI</b>		
Asset experience gain/(loss) during the period/year	(1,042,825)	(14,484,422)
Liability experience gain/(loss) during the period/year	(6,553,783)	(5,157,686)
	<b>(7,596,608)</b>	<b>(19,642,108)</b>
<b>Year</b>		
Expected employer contributions (RS)		7,753,896
Weighted average duration of the defined benefit obligation (Calculated as a % change in PV of liabilities for a 1% change in discount rate)		17 Years

The plan is exposed to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk. The risk relating to death in service benefits is re-insured.

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

	2016	2015
	RS	RS
Discount rate	7.00%	7.50%
Future salary increases	4.50%	5.00%
Future pension increases	3.00%	3.00%
Mortality before retirement	A 6770 Ultimate Tables	
Mortality in retirement	PA (90) Tables rated down by 2 years	
Retirement age	As per Second Schedule of Statutory Bodies Pension Funds Act	

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

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

If the discount rate would be 100 basis points (one percent) higher (lower), the defined benefit obligation would decrease by Rs 30.7 M (increase by Rs 38.5 M) if all other assumptions were held unchanged.

### 13. EMPLOYEE RETIREMENT BENEFIT OBLIGATION – CONTINUED

If the expected salary growth would increase (decrease) by 100 basis points, the defined benefit obligation would increase by Rs 19.5 M (decrease by Rs 17.0 M) if all assumptions were held unchanged.

If life expectancy would increase (decrease) by one year, the defined benefit obligation would increase by Rs 5.1 M (decrease by Rs 5.1 M) if all assumptions were held unchanged.

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

**14. GOVERNMENT GRANT**

	<b>2016</b>	<b>2015 (Restated)</b>
	<b>RS</b>	<b>RS</b>
Grant-in-Aid	85,870,803	137,901,804
Project Related Grant	37,240,895	30,529,801
	123,111,698	168,431,605
Less: Capital Grant Deferred During the Year	( 31,720,034 )	( 32,331,995 )
Less: Revenue Grant Deferred During the Year	( 715,757 )	-
	90,675,907	136,099,610
Add: Deferred Income charged to Income Statement ( Depreciation )	19,386,653	23,579,684
<b>Recurrent Revenue</b>	<b>110,062,560</b>	<b>159,679,294</b>
<b><u>DEFERRED GRANT</u></b>		
Deferred Grant	93,370,425	79,947,969
Capital Grant	10,862,920	10,147,162
<b>Total Government Grant</b>	<b>104,233,345</b>	<b>90,095,131</b>

**15. INVESTMENTS**

	<b>2016</b>	<b>2015</b>
	<b>RS</b>	<b>RS</b>
Long term investments	-	732,252

The figure in 2016 relates to fixed deposits held with financial institutions having floating interest rate of 4% being 0.75% over SBM Savings Rate. The maturity date is 27 January 2017.

In 2016, the investment is current in nature and has been classified as short term deposits under cash and cash equivalents.

**16. RESERVES**

	<b>2016</b>	<b>2015</b>
	<b>RS</b>	<b>RS</b>
Balance at Start	31,003,306	21,580,102
Land Revaluation Reserve	0	28,712,320
Employees Retirement Reserve	( 6,675,449 )	( 19,562,639 )
Passage Fund	167,599	273,523
<b>Balance at Close</b>	<b>24,495,456</b>	<b>31,003,306</b>

**17. RENTAL INCOME AND OTHER REVENUE**

	<b>2016</b>	<b>2015</b>
	<b>RS</b>	<b>RS</b>
<b>Other Revenue</b>		
Occasional Trade Fee	-	102,750
Advertising Fee	871,225	1,593,950
School Fee	61,600	104,000
Bus Toll	742,850	4,057,700
Burial & Incineration Fee	258,200	659,150
Donation to the Council	755,000	-
Other	328,030	1,092,144
	<b>3,016,905</b>	<b>7,609,694</b>
<b>Rent Income</b>		
Market Stall Fee	2,637,600	5,182,000
Rental Income	203,355	423,760
	<b>2,840,955</b>	<b>5,605,760</b>

**18. COMPENSATION OF EMPLOYEES**

	<b>2016</b>	<b>2015</b>
	<b>RS</b>	<b>RS</b>
Salaries and Wages	36,192,945	63,958,526
Overtime and Allowances	3,682,655	4,209,136
Uniform and Protective Equipment	958,386	1,079,495
Councilor's Allowance	1,663,876	2,634,132
Retirement and Social Contributions	5,515,522	8,676,070
Provision for Passage Benefit	1,324,180	3,554,319
Travelling and Transport	4,839,741	8,516,637
Training Cost	85,796	19,155
Provision for Unutilized Sick pay	3,294,696	2,999,755
End of Year Gratuity	3,032,042	5,346,610
Staff Welfare	35,300	-
	<b>60,625,140</b>	<b>100,993,836</b>

**19. UTILITIES**

	<b>2016</b>	<b>2015</b>
	<b>RS</b>	<b>RS</b>
Electricity	9,802,632	21,347,652
Water	304,872	655,691
Gas	803,055	347,938
Telephone	430,888	613,874
	<b>11,341,446</b>	<b>22,965,156</b>

**20. REPAIR AND MAINTENANCE**

	2016	2015
	RS	RS
Furniture, Fittings and Equipment	137,936	194,429
Roads and Traffic Sign	789,613	4,033,136
Street Lighting	193,318	568,260
Playground, Play Equipment and Green Space	1,287	172,106
Public Infrastructure and Buildings	364,152	1,901,303
Cemetery, Incinerator and Cremation Ground	404,556	587,305
Other	248,583	491,298
	<b>2,139,444</b>	<b>7,947,838</b>

## 21. MOTOR VEHICLE EXPENSES

	2016	2015
	RS	RS
Fuel and Oil	961,408	2,781,969
Repairs and Maintenance	782,718	1,396,437
	<b>1,744,126</b>	<b>4,178,406</b>

## 20. RETIREMENT BENEFITS OTHER THAN RETIREMENT BENEFIT OBLIGATION

	2016	2014 (Restated)
	RS	RS
Provision for Unutilized Vacation Payment on Retirement	4,176,930	1,079,333
Provision for Bank of Sick leave Pay on Retirement	427,841	2,769,820
Provision for Compassionate Allowance	(57,091)	15,199,514
	<b>4,547,680</b>	<b>19,048,667</b>

The Council has restated the provision for unutilized vacation payment on retirement and provision for compassionate allowance to eligible employees in order to be in line with the recommendations of the Pay Research Bureau 2013.

## 22. AUDIT AND LEGAL FEES

	2016	2015
	RS	RS
Audit fee	100,000	200,000
Legal and Professional fees	450,207	2,079,709
	<b>550,207</b>	<b>2,279,709</b>

## 23. GRANT AND SUBSIDIES

	2016	2015
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	RS	RS
Grant to Village Council	5,245,661	8,596,175
Contribution to Association of District Councils	75,000	150,000
	<b>5,320,661</b>	<b>8,746,175</b>

## 24. OTHER GOODS AND SERVICES

	2016 RS	2015 RS
Printing, Postage & Stationery	349,344	854,857
Notice and Publications	106,008	161,566
Books and Periodicals	123,333	222,125
Committee expenses	55,629	84,911
Entertainment	3,525	168,945
Bank charges and fee	18,205	33,891
Security services	635,957	1,887,872
Hired Scavenging Service	8,446,020	15,977,355
Other Hired Service	-	-
Cleaning and Waste Disposal	4,422,436	585,588
Insurance	1,402,263	1,502,591
Rent	29,500	75,000
Social, Cultural, Sport and Educational Activities	835,312	2,249,304
Overseas Travelling and Allowances	-	-
Sundries	175,717	141,309
Provision for bad debts	238,200	-
Compensation on damages ( <i>Arbitration Case</i> )	83,859,806	-
	<b>100,701,256</b>	<b>23,945,315</b>

*Note 25*

## 25. ACTIVITIES AND PROJECTS

	2016 RS	2015 RS
Social Activity ( including grant to NGO )	464,096	706,648
Cultural Activity	257,508	164,707
Sport Activity ( including grant to NGO )	110,697	707,255
Twinning Activity	3,000	-
Educational Activity	3,012	18,480
Environmental Activity	(3,000)	652,214
	<b>835,312</b>	<b>2,249,304</b>

## 26. FINANCE COST

	2016 RS	2015 RS
Loan Interest	478,650	959,450
Other Interest - ( <i>Arbitration Case</i> )	11,181,928	-
	<b>11,660,578</b>	<b>959,450</b>

Compound Interest of Rs 11,181,928 payable on Liquidated damages of Rs 3,075,000 at 15.33% for the period 22 September 2005 to 24 September 2015 in connection with the arbitration case between Council (Ex-PRDC) and Alphamix Ltd.

**27. EMPLOYEE BENEFITS**

	2016	2015
	RS	RS
Provision for Unutilized Vacation Payment on Retirement	1,923,930	4,176,930
Provision for Bank of Sick Leave Pay on Retirement	2,880,780	427,841
Provision for Compassionate Allowance	(81,114)	(57,091)
Provision for Passage Benefit	(439,214)	2,169,297
Provision for Unutilized Sick Leave Pay	363,514	291,645
Pension and Gratuities	7,008,350	9,972,318
	<b>11,656,246</b>	<b>16,980,940</b>

**28. HUMAN RESOURCE**

	2016	2015
Permanent and Pensionable employees	278	286
Part-time Employees	20	20
	298	306
Female Employees	47	47
Male Employees	251	259
	298	306
Vacant Funded Posts	54	43
Vacant Unfunded Posts	8	5
	<b>360</b>	<b>354</b>

**29. COMMITMENTS**

	2016	2015
<b>Capital Commitments</b>		
<b>Authorized but not yet contracted:</b>		
Public Infrastructure	5,000,000	84,249,456
<b>Approved and Contracted</b>		
Public Infrastructure	9,850,000	858,287
<b>Total Capital Commitments</b>	<b>14,850,000</b>	<b>85,107,743</b>

A special grant of Rs 72 Million was approved by the Ministry of Finance and Economic Development for the uplifting of public amenities and Rs 10 Million was also approved for minor capital projects.

**30. WORK-IN-PROGRESS**

The work in progress of as at 30 June 2016 relates to construction of Village Hall at Petit Raffray.

**31. CONTINGENCIES**

The Council is a defendant in several legal actions involving the non-issue of building and land use permit, cases on illegal construction and the arbitration case between the contractor,



Alphamix Ltd and the ex-Pamplemousses/Rivière du Rempart District Council. There are claims for compound interest on Rs 72.9 M and damages to the tune of Rs 15 M which Council resist.

### **32. POST BALANCE SHEET EVENT**

As at the date of approval of the financial statements no such post balance sheet event was known which may materially affect the financial reporting and the fair and true view of the financial position with the exception of the above contingency.

### **33. APPROVAL OF THE FINANCIAL STATEMENTS**

The financial statements were approved by the full council and authorized for its issue at its meeting of 15 December 2016.