

TOOLS  
VARIATION NECESSARY REDUCED  
CHALLENGE POOR AREAS  
PRACTICE FIRST  
NEW WELL MAJOR  
MUDA PHILOSOPHY  
TWO FOCUS PARTICULAR  
CONTINUOUS IMPLEMENTATIONS VALUE BEYOND  
SYSTEMS PROBLEMS INCREASE THEREFORE  
REQUIREMENTS STEPS  
POSSIBLE TEAMS ACHIEVED  
PEOPLE RESULTS  
INVENTORY BASED  
GOALS SCHEDULING  
ACTUAL  
WORKERS NEED APPROACH  
EVEN COMPANY ACT  
WASTES JA  
PRODUCT LEVEL JIT  
CHANGE KEY  
PLACE  
PROJECT DEFINED  
CASE



# ANNUAL REPORT 2013

National Productivity and Competitiveness Council

MANAGEMENT  
PROCESS SYSTEM  
TPS QUALITY  
WASTE  
IMPLEMENTATION  
COST MASS  
REDUCTION  
TEAM OFTEN  
FLOW  
PRODUCTION  
IMPROVEMENT  
PRINCIPLES  
NEXT

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# FUNCTIONS OF THE COUNCIL (NPCC)



## THE COUNCIL SHALL:

- Provide the forum for constant dialogue and consensus building on all matters relating to productivity, quality and competitiveness;
- Advise government on the formulation of national policies and strategies on all aspects of productivity, quality and competitiveness;
- Promote and develop greater productivity and quality awareness and consciousness amongst the public, and organise awards to recognise individuals, teams and organisations for their outstanding achievements in quality and productivity;
- Inculcate new values and attitudes in the country regarding productivity, quality and competitiveness;
- Identify constraints to the improvement of productivity, quality and competitiveness and propose remedial measures;
- Monitor and coordinate programmes and activities relating to the improvement of productivity, quality and competitiveness;
- Collect, analyse, produce and disseminate data on the measurement of, and changes in, productivity, economy-wise and by sector and industry;
- Arrange for consultancy services in the areas of productivity and quality management and related fields;
- Promote and undertake research, including training, in all aspects of productivity, quality and competitiveness;
- Liaise and establish linkages with research institutions and productivity organisations in Mauritius and abroad
- Serve as focal point on all matters relating to productivity, quality and competitiveness;
- Act as resource centre for published works on productivity, quality and competitiveness issues;
- Organise conferences and policy seminars on productivity, quality and competitiveness;
- Constitute such productivity committees and co-opt such persons, as it may deem necessary, to such committees, define their objectives, broad terms of reference and the means of their function;
- Request the productivity committees to carry out studies, prepare opinion statements, reports and information bulletins within the scope of their powers; and
- Do such things as may be incidental to, and consequential upon, the discharge of its functions under this act.





## LETTER FROM THE CHAIRMAN



Mr. Kevin Chuttur,  
Chairman

## LETTER FROM THE CHAIRMAN

Dear Minister,

In accordance with paragraph 18 of the National Productivity and Competitiveness Council (NPCC) Act 1999, I have the honour to submit to you the annual report of the NPCC, which covers the year 2013.

Yours faithfully,

**K. Chuttur**  
Chairman

# PERFORMANCE REPORT FROM THE OFFICER IN CHARGE



Dev Appalswamy,  
Officer in Charge

# PERFORMANCE REPORT FROM THE OFFICER IN CHARGE

## INTRODUCTION

The year 2013 was another challenging year for the National Productivity and Competitiveness Council (NPCC) as we continued to find innovative ways to deliver on our mandate in the realm of the economic turmoil the country was going through. With real GDP growth rate declining from 3.6 percent in 2011 to 3.4 percent in 2012 and multifactor productivity, remaining unchanged in 2012, compared to marginal growth of 0.3 percent in 2011, we knew that we had to revisit our strategies, find new cheese and think differently to achieve our vision of "better living for the nation."

Guided by our four principles, namely, education, empowerment, entrepreneurship and employability, and with the partnership of our stakeholders, we brought in new productivity programmes, while consolidating existing ones, to better respond to the needs of the country.

This report gives an overview of the major achievements and challenges of the NPCC during the year under review.



# PERFORMANCE REPORT FROM THE OFFICER IN CHARGE

## HIGHLIGHTS 2013

### Productivity campaign

Building and sustaining a culture of productivity is imperative to enhance productivity and competitiveness. Public and private organisations, civil society organisations and the citizen at large should understand the meaning of productivity and its importance for progress to happen. The productivity campaign which we launched in November 2012 gained more momentum in 2013. The IEC (information, education and communication) and BCC (behaviour, change and communication) materials which we developed in 2012, in the context of the productivity campaign, were spread to the whole nation in 2013. Furthermore, we also conducted in-plant awareness programmes on productivity, targeting more than 960 employees from both public and private enterprises.

### Productivity Award

In line with its functions of recognising individuals, teams and organisations for their outstanding achievements in quality and productivity, the NPCC launched the first edition of the productivity award in November 2013. The objectives of the award are to create awareness on the importance of productivity improvement towards economic development, motivate enterprises to strive through sustained efforts, to enhance productivity and to showcase and share success stories from organisations on productivity improvement initiatives for others to emulate. The first productivity award will be held in 2014 to recognise SMEs, large enterprises, government departments and parastatal bodies for their outstanding achievements in the field of productivity.

**The objectives of the award are to create awareness on the importance of productivity improvement towards economic development...**

### Coaching SMEs to move up the value chain

Given the prominent role played by small and medium enterprises (SMEs) in Mauritius, we conceptualised a special programme for this sector to help SMEs develop their business management and productivity capabilities using customised tools that meet their needs to enable them to be more competitive. The GO-SME project, which is the newly designed programme for SMEs, will target about 500 SMEs in Mauritius in 2014. It is fully funded by the Government of Mauritius, as part of its 2014 budgetary measure to boost the SME sector in Mauritius.

**The GO-SME project, which is the newly designed programme for SMEs, will target about 500 SMEs in Mauritius in 2014.**

### Towards Excellence

One of the most powerful strategies to improve productivity is learning from best practices. In 2013, we took the decision to invite top gurus in the field of productivity management to Mauritius to share their knowledge and expertise with Mauritian enterprises to enable them to be more efficient and effective. In this regard, we kick-started the process of holding a conference in April 2014, led by Tom Peters, one of the world's leading management gurus, to provoke our enterprises towards the road of excellence.

# PERFORMANCE REPORT FROM THE OFFICER IN CHARGE

### Enhancing Enterprise Productivity

As in previous years, the NPCC offered its consultancy services to various enterprises to implement productivity improvement programmes. Moreover, we continued to deliver training through our productivity academy as part of our productivity capacity building programme with the key objective of equipping managers, supervisors and workers with tools and techniques which will add value for their customers.

### Productivity in Rodrigues

The NPCC recognises that Rodrigues which forms part of the Republic of Mauritius has its own specificities. As in previous years, we collaborated with the Rodrigues Regional Assembly, through the Deputy Chief Commissioner's Office (DCC) to implement productivity improvement programmes in Rodrigues. The NPCC was called upon by the DCC's office to participate in the "Assises de L'Entrepreneuriat" with the objective of formulating the strategy and action plan to boost entrepreneurship in Rodrigues. We also conducted creativity and innovation workshops and training in Rodrigues to promote a culture of innovation.

### Renewed collaboration with Decentralised Cooperation Programme (DCP)

In 2013, the NPCC collaborated again with the DCP, funded by the European Union, to empower trainers and NGOs in Mauritius and Rodrigues, with tools and techniques to be used to design and implement community-based projects.

### Scaling up of ELIT (English Literacy Using Information Technology)

We continued to upscale our ELIT programme in 2013 by partnering with Microsoft Indian Ocean Islands and E-Inclusion Foundation to have a better outreach. Various NGOs were trained in this regard to organise and administer the training under the purview of the NPCC. ELIT, a programme conceived in 2006, with seed money obtained from UNESCO, has as objective empowering grassroots to use ICT to improve their well-being.

# PERFORMANCE REPORT FROM THE OFFICER IN CHARGE

## International Networking

International networking is important if we want to keep abreast of changes occurring in the world. We are members of international organizations in the areas of, benchmarking, productivity and competitiveness. In all likelihood, as a founder member of the Pan African Productivity Association, the NPCC will continue to provide support to other African countries in their productivity journey.

Two of our staff members were also invited by the Japanese Government to participate in a "Study Mission on Green Productivity" in Japan.

## Setting up of Productivity Committee

In line with its advisory role to the government in matters relating to productivity and competitiveness, we also revived our Productivity Committees. The Productivity Committee which is composed of members from different backgrounds, including representatives from the government, the private sector, the academia, among others, participated in several brainstorming sessions with the objective of developing a productivity policy for Mauritius.

## Future Orientations

Undoubtedly, raising productivity—and ultimately, economic growth—is the only way of achieving better living for the nation. The NPCC will continue to ensure its continuing relevance to the need of the country to compete in a dynamically changing global economy. Our focus for the upcoming year will be on consolidating the projects we have launched in 2013 as well as transforming constraints and challenges into opportunities that greatly benefit the population.

The Knowledge Management Centre will have to play a more proactive role, especially in the promotion of tools, techniques and best practices in the field of productivity with various stakeholders from the public and private sector and civil society organisations.

The NPCC also needs to come up with productivity measurements and benchmarks to help stakeholders devise wise productivity and competitiveness policies.

Productivity enhancement holds the key to a better tomorrow for one and all. But, obviously this cannot be done by the NPCC alone. The success through productivity needs a consolidated national effort. We have to work together and push ourselves to a greater productivity level. We have to work smarter, deliver results and get it right.

## Acknowledgement

I seize the opportunity to thank the Minister, for his leadership, guidance and facilitating the provision of funds to the NPCC to achieve its set objectives. In addition, I would like to express my appreciation and thanks to the Chairman, the Vice- Chairman and the Council members for their unwavering support in taking the productivity movement forward. I would also like to thank the staff of the NPCC for their dedication in translating ideas into concrete projects in a timely manner which has enabled us to complete successfully our 2013 financial year.

Last but not least, I would like to thank our partners- both local and international for placing their trust and confidence in the NPCC.



**Dev Appalswamy**  
Office in Charge

“ Productivity is never an accident. It is always the result of commitment to excellent, intelligent planning and focused efforts. ”

Paul J.Meyer



## CORPORATE GOVERNANCE



## CORPORATE GOVERNANCE

### CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDING 31<sup>ST</sup> DECEMBER 2013

The National Productivity and Competitiveness Council (NPCC) was established as a corporate body as per the NPCC Act no 9 of 1999. Its object is to stimulate and generate productivity and quality consciousness, drive the productivity and quality movement in all sectors of the economy, enhance the country's international competitiveness and raise national output with a view to achieving sustained economic growth. The functions are laid out in the Act.

### COMPLIANCES AND ENFORCEMENT

The NPCC is fully committed to attaining and maintaining the highest standards of corporate governance and is gradually taking action within its ambit to ensure compliance with the code of corporate governance for Mauritius issued by the National Committee on Corporate Governance as applicable to state owned enterprises.

### BOARD AND DIRECTORS

The NPCC Act (amended) makes provision for a Council. As per the amended act, the Council shall consist of :-

- A Chairperson;
- A Vice-Chairperson;
- One member representing the interests of Government;
- One member representing the interests of employers;
- One member representing the interests of the federations of trade unions; and
- Not more than 2 members drawn from industry associations and consumer organisations.

### OPERATIONS OF THE BOARD

The Council meets at the request of the Chairman. Meetings of the Council and Committees are scheduled in advance. Papers are circulated before each meeting.

In order to ensure a link between management and the Council, the NPCC Act provides for the Executive Director to act as the Secretary of the Council and, in that capacity, attend all meetings of the Council.

The roles of the Chairman and the Executive Director are distinctly enunciated under the Act. The Chairman heads the Council while the Executive Director is responsible to the Council for the proper administration and management of the day-to-day business of the Council in accordance with guidelines laid down by the Council. The NPCC operates independently of Government but is accountable to parliament and ultimately to the public through the tabling of its report annually.

A new Council was appointed in April 2013.



# CORPORATE GOVERNANCE

**MR. KEVIN CHUTTUR** was appointed Chairman of the National Productivity and Competitiveness Council in April 2012. Mr Chuttur is the Owner/Chairman of the Whitefield Business School, a tertiary education provider that offers a variety of programmes to students and also works in collaboration with World Leadership Guru, Mr. Robin Sharma, Management Guru, Shiv Khera and Professor Philip Kotler, Father of Modern Marketing for corporate training in Mauritius. He is a Generic Designer and a Training Needs Analyst, Registered with the Human Resource Development Council. Mr Chuttur holds a Master in Business Administration from the Management College of South Africa.

**MR. ROBERT PALLAMY** was appointed Vice Chairman of the NPCC in April 2013. He is presently the Director of Rj Securite et Prevention, a training center in health and safety. He has been the Director of the Tourism Authority from September 2011 – February 2012.

## MEMBERS REPRESENTING THE INTERESTS OF THE GOVERNMENT

**MR ISWARLALL BONOMAULLY** was nominated Council member in April 2013. He is a Fellow of the Association of Chartered Certified Accountant and holds an MSc in Finance from the University of Mauritius. He started his career as Inspector of Taxes at the then Income Tax Dept in 1988. From 1992 to 2007, he conducted a number of management reviews and consultancy exercises on Ministries/ Government departments and parastatal bodies; He joined the Ministry of Finance and Economic Development as Lead Analyst in 2007 and is responsible for the portfolio 'Increasing Competitiveness', which includes Industry and Business as well as schemes and programmes under the National Resilience Fund.

## MEMBERS REPRESENTING THE INTERESTS OF THE EMPLOYERS

**DR AZAD JEETUN** holds a BA Hons in Economics First Class, an MA in Economics First Class and a PhD in Economics from University of Karachi, Pakistan and a Master of Arts in Economic Policy (MAEP) from Boston University USA. He was a Hubert H Humphrey Fellow at Boston University. He is a member of the ILO Governing Body.

He has been the Director of the Mauritius Employers' Federation from January 1991 to January 2013 and the Honorary Director of the Mauritian Institute of Management from 1992 to July 2013. He has been the Secretary General of Business Africa which represents employers' organizations in Africa from 1995 to 2013. He was elected member of the Economic and Social and Cultural Council of the African Union from 2008 to 2012. He was also a member of the ACP-EU Follow-up Committee of the Economic and Social Interest Groups of the European Economic and Social Council for more than 10 years.

Dr Jeetun has been a member of the NPCC from 2004 to 2011. He was again nominated Council member in April 2013.

## MEMBERS REPRESENTING THE TRADE UNIONS

**MR HANIFF PEERUN** was nominated Council member in April 2013. He holds a diploma in management from the Mauritius Institute of Education. He is the President of the Mauritius Labour Congress, the All Workers' Federation and the Government Urdu Teachers Union.

## MEMBERS DRAWN FROM INDUSTRY ASSOCIATIONS, CONSUMER ORGANISATIONS PROFESSIONALS AND ACADEMIA

**MS NISHMA PRATIBHA SOOKOOL GOOLAB** is a trainer in Applied Science at Ecole Hoteliere Sir Gaetan Duval, delivering courses on Food Hygiene, Food Microbiology and Nutrition. She holds a BSc (Hons) in Food Science and Technology, and a Msc Food Technology from the University of Mauritius. She was nominated Council Member in April 2011.

**MS JANE YEE SAK CHAN** is an accountant within the manufacturing sector, and has also a wide experience in the IT field where she has worked on implementing several projects. Ms Yee Sak Chan is a member of the Association of Chartered Certified Accountant. She also holds an MSc in Analysis, Design and Management of Information System from the London School of Economics and Political Science, and a BSc in Management Sciences from the University of Warwick. She was nominated Council Member in April 2011.

# CORPORATE GOVERNANCE

## SUB COMMITTEE OF THE COUNCIL

In line with good corporate governance practices, the Council has set up a Finance Committee and a Human Resource Committee.

## THE FINANCE COMMITTEE

The Finance Committee consists of 4 members of the Council as follows:-

- Mr L Kevin Chuttur (Chairman)
- Mr Ishwarlall Bonomaully
- Dr Azad Jeetun
- Ms Jane Yee Sak Chan

The responsibilities of the Finance Committee is as follows:-

- Responsible for procurement and inter alia examine bids above Rs 100, 000 and make recommendation to the council for award of contracts
- Examine the Annual Estimates and to make recommendations to the Council accordingly
- Make any other recommendations of a financial nature to the Council

In view of the fact that the NPCC is a small organization, the Finance Committee acts as the Audit Committee as well and

- Oversees the establishment and implementation of accounting policies and internal controls that promote good financial stewardship.
- Inquire into how the business risks of the NPCC are being planned for and managed for instance assessing the adequacy of its insurance coverage
- Oversee compliance with regulatory standards
- Examine the final accounts and the annual report to ensure compliance prior to recommending to Council for approval and onward transmission to the external auditors
- Receiving and acting upon the results of the external audit and reporting same to the Council.

## THE HUMAN RESOURCE COMMITTEE

The Human Resource Committee consists of 4 members of the Council as follows:-

- Mr L Kevin Chuttur (Chairman)
- Mr Robert Palamy
- Mr Mohamud Haniff Peerun
- Mrs Nishma Pratibha Sookool Goolab

The responsibilities of the Human Resource Committee are:-

- Examine all staff matters in particular relating to recruitment, promotion, allowances, salary review and make recommendations to the Council for approval.
- Advise the Council on matters relating to employment policy/strategies, human resource development etc.
- Examine employee grievances and make recommendations to the Council.

# CORPORATE GOVERNANCE

## STATEMENT OF ATTENDANCE AT COUNCIL/ EXECUTIVE COMMITTEE MEETINGS

No of Council meetings held: 14	No of Meetings Attended
Mr KEVIN CHUTTUR Chairperson as from April 2012 Mr ROBERT PALAMY Vice-Chairperson	14 13
Members representing the interests of the Government Mr ISHWARLALL BONOMAULLY Mr T. KATHAPERMALL ( alternate to Mr ISHWARLALL BONOMAULLY)	10 2
Members representing the interests of the Employers Dr AZAD JEETUN	11
Members representing the Trade Unions Mr MOHAMMUD HANIFF PEERUN	9
Members drawn from Industry Associations, Consumer Organisations Professionals and Academia Ms NISHMA PRATIBHA SOOKOOL GOOLAB Ms JANE YEE SAK CHAN	9 9

## STATEMENT OF ATTENDANCE TO FINANCE COMMITTEE MEETINGS

NO. OF FINANCE COMMITTEE MEETINGS HELD: APRIL TO DEC 2013 - 6	NO. OF MEETINGS ATTENDED APRIL-DEC 2013
Mr Kevin Chuttur Chairperson Mr Azad Jeetun Mr Ishwarlall Bonomaully Mr T. Kathapermall (alternate to Mr Ishwarlall Bonomaully) Ms Jane Yee Sak Chan	6 5 2 2 6

## STATEMENT OF ATTENDANCE TO FINANCE COMMITTEE MEETINGS

NO. OF HR COMMITTEE MEETINGS HELD: JULY TO DEC 2013 - 8	NO. OF MEETINGS ATTENDED JULY-DEC 2013
Mr Kevin Chuttur Chairperson Mr Robert Pallamy Vice Chairman Mr Mohammad Haniff Peerun Mrs Nishma Pratibha Sookool Goolab	8 8 6 5

## PRODUCTIVITY COMMITTEE

As per the Act a Productivity Committee has also been setup.

## MEMBERS OF THE PRODUCTIVITY COMMITTEE ARE AS FOLLOWS:

MEMBERS	PROFESSION
Mr Leerajsing Kevin Chuttur	Chairman, NPCC
Mr Robert Pallamy	Vice Chairman, NPCC
Mr Deodass Appalswamy	Officer in Charge, NPCC
Mrs Vimi Goorah	Productivity Specialist, NPCC
Mrs Catherine Gris	Representative, Association of Mauritian Association
Mr Sylvain Siow Voong Chung	Representative, Agricultural Research and Extension Unit
Mr Pradeep Dursun	Ag. Director, Mauritius Employers' Federation
Mr Robindro Ghose	Principal Analyst (Industry), Ministry of Industry, Commerce & Consumer Protection
Dr R. Padayachy	Manager (Economic Analyst & Industrial Division), Mauritius Chamber of Commerce & Industry
Mr Denis Nuchadee	Representative, Outsourcing and Telecommunications Association of Mauritius
Mr Eddy Yeung	Representative, Mauritius Exports Association

# CORPORATE GOVERNANCE

## OBJECTIVES OF THE PRODUCTIVITY COMMITTEE

The main objective of the Productivity Committee is to 'advise the Council on appropriate measures to promote and enlist wide support for productivity, quality and competitiveness'.

## BRAINSTORMING SESSION WITH THE MEMBERS OF THE PRODUCTIVITY COMMITTEE

John Heap, President of the World Confederation of Productivity Science, facilitated a brainstorming session with members of the Productivity Committee on Friday 6th December 2013. The objective of the session was to further discuss issues following a meeting held in November 2013 relating to the development of a National Productivity Policy for Mauritius. 12 members were present along with staff of the NPCC. John Heap took the Committee through a process that attempted to identify:

- The broad 'mission' to be addressed by a National Productivity Policy;
- The Critical Success Factors that must be addressed to realise this mission;
- The current productivity-related strengths and weaknesses of Mauritius

He also explored ways in which these could be addressed so that strengths were enhanced and weaknesses were either eliminated or addressed to provide progress against the success factors and towards achievement of the mission.

A situational analysis has been made and discussions will continue in 2014 with members of the Productivity Committee for the development of a Productivity Policy for Mauritius.

## STATEMENT OF REMUNERATION OF COUNCIL MEMBERS

The Chairman and members of the Council receives a monthly fee as Council Members.

Payment for the Finance Committee and the Human Resource Committee are made as per attendance and payment is made for a maximum of two meetings per month.

## REMUNERATION OF MEMBERS FOR FINANCIAL YEAR 2013 IS AS FOLLOWS:

COUNCIL/COMMITTEE MEMBERS	COUNCIL & COMMITTEE FEES (RS)
Mr Kevin Chuttur Chairperson	605,000
Mr Robert Pallamy Vice-Chairperson	302,000
Mr Ishwarlall Bonomaully	31,000
Mr Azad Jeetun	37,000
Mr Mohammad Haniff Peerun	37,000
Mrs Nishma Pratibha Sookool-Goolab	61,000
Ms Jane Yee Sak Chan	39,000
Mr T.Kathapermall (alternate to Mr Ishwarlall Bonomaully)	4,000

## Donations

No donation has been effected during the year.

## Code of Ethics

Issues such as ethics, employee's involvement and equal opportunity of employment are key to the long term interest of the NPCC to conduct itself as a responsible corporate citizen. Work is on-going to refine internal policies and practices that would enhance the existing practice in these areas.

The Council also provides a safe workplace for its staff together with a medical scheme and a 24-hr Insurance cover.

## Related Party Transaction

There has not been any related party transaction during the year.

# CORPORATE GOVERNANCE

## Statement of Directors' Responsibility

The NPCC acknowledges its responsibilities for:

- adequate accounting records and maintenance of effective internal control systems;
- the preparation of financial statements which fairly present the state of affairs of the council as at the end of the financial year and the results of its operations and cash flows for that period and which comply with International Financial Reporting Standards (IFRS); and
- the selection of appropriate accounting policies supported by reasonable and prudent judgment.

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

The Directors report that:

- adequate accounting records and an effective system of internal controls have been maintained;
- appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently;
- applicable accounting standards have been adhered to; and
- the code of Corporate Governance as applicable to State-Owned Enterprises has been adhered to.

Staff turnover amongst the professional cadre represents a potential risk for the Council. The duties being carried out by such staff are in principle quite technical and inability to retain them can result in considerable loss of valuable human resources. In view of the established rules of the public sector, it has unfortunately, not been possible, up to now, to refrain professional staff from leaving the Council.

Signed on behalf of the NPC Council.



**Mr L.K. Chuttur**  
Chairman

**Mr I. Bonomaully**  
Council Member

# CORPORATE GOVERNANCE

## Directors' Statement for Internal Control

The NPCC acknowledges its responsibility for the setting up of adequate system of internal controls and for the setting up of appropriate policies to provide reasonable assurance that the control objectives have been attained. The activities are closely monitored by the Council. Procedures and policies are well documented and consistently applied. Management has the relevant experience and skills to ensure proper running of the Council.

The organisation being lean, there is no specific provision for an Internal Controller. However, we have put in place an effective system, which includes:

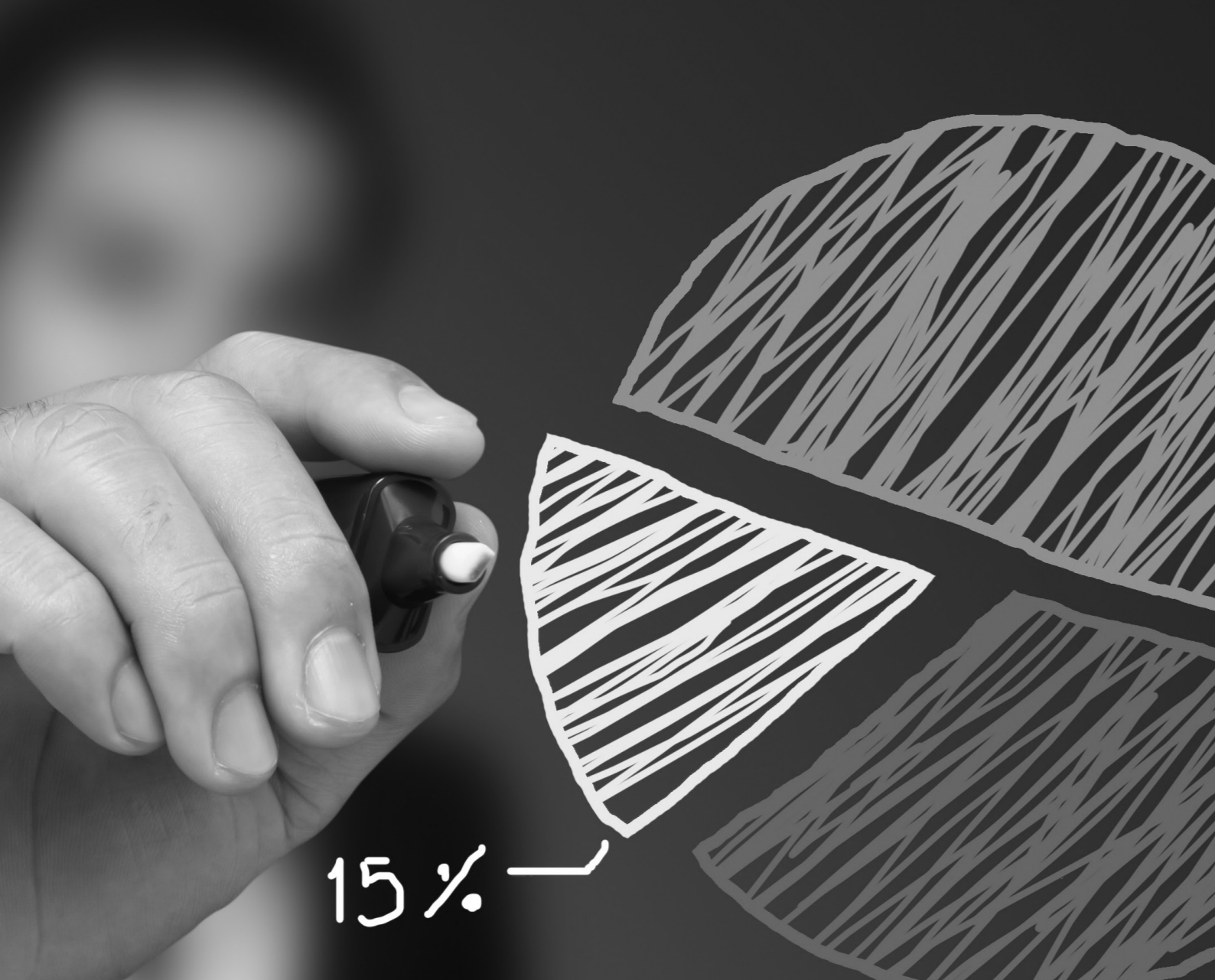
- Proper segregation of duties whereby the different functions in process are crosschecked and verified.
- Expenditure limits for the Executive Director has been fixed and purchases are duly authorised by the appropriate instances.
- Follow up and implementations of recommendation of the Director of Audit in order to improve the process and ensure proper accountability, is regularly adhered to.
- Adequate supervision of duties performed by staff members by the Executive Director.
- The assets of the Council are properly safeguarded.
- All cheques issued by the Council are signed by two authorised signatories.

Signed on behalf of the NPC Council.



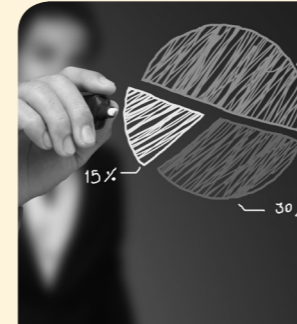
**Mr L.K. Chuttur**  
Chairman

**Mr I. Bonomaully**  
Council Member



15%

## STRATEGIC PLANNING



## STRATEGIC PLANNING

The ultimate goal of Productivity Improvement as a driving force of economic development is to improve the quality of life of the people.

The objects of the National Productivity and Competitiveness Council as defined by the NPCC Act No 9 of 1999 shall be "to stimulate and generate productivity and quality consciousness and drive the productivity and quality movement in **ALL SECTORS** of the economy with a view to raising **NATIONAL OUTPUT** and achieving sustained **GROWTH** and **INTERNATIONAL COMPETITIVENESS**".

Productivity is a key factor that enables society to generate "value added" through an optimal mix of available resources – human knowledge and skills, technology, equipment, raw material, energy, capital and intermediary services. Productivity growth contributes towards the prosperity of the nation, makes companies competitive in the global market and thus contributes to the quality of life.

It is self-evident therefore that to survive and prosper today and in the future, it is imperative to become more innovative and productive.



# STRATEGIC PLANNING

## STRATEGIES

Consensus has been reached on the following strategic directions to drive productivity and competitiveness in the coming years

### VISION

Better Living for the Nation

### MISSION

Make Mauritius Work. Together

### CORE OBJECTIVE

Development of a Productivity Culture

### GUIDING PRINCIPLES

The NPCC is guided by the 4 Es: Empowerment through Education for greater Employability and Entrepreneurship.

# STRATEGIC PLANNING

## STRATEGY I - TO SUSTAIN A PRODUCTIVITY CULTURE/PRODUCTIVITY MINDSET AT ALL LEVELS

If Mauritius aspires to become a productive nation, the starting point should be the development of a "productivity mindset". The productivity movement begins with people and its success will depend on how far it is able to rally people to its cause, change their mindset, harness their passion, hone their skills, and build them into a cohesive competitive team. This is directly related to the culture of a group, organisation, or society and which shapes how people act, directing them to be fast or slow workers, individual or team players, agile entrepreneurs or sluggish bureaucrats.

Taking into account what has been achieved by the movement so far and what remains to be done, it is believed that the core objective of 'Development of a Productivity Culture' is still very much relevant today than it was ten years back.

The importance of promoting the right mental models transcends the passage of time. Through our National Campaign and the Productivity Academy, Positive work attitudes, such as teamwork, pride in work, service quality, creativity and Innovation will continue to be stressed.

## STRATEGY II - TO BUILD COMPETENCIES FOR VALUE CREATION

Today, the production of goods and services and their distribution transcend national boundaries. Powerful companies dominate world trade, constantly seeking cost reduction opportunities and increased productivity to enhance comparative advantage. Provision of financial and other services have become integrated through improved telecommunications and capital flows.

The new economic environment demands not only diligent but also skillful workers. There is a need to equip workers with the technical and managerial skills to enable them to perform better. Our workers must be multi-skilled, and knowledge based who are able to think, use information, and be innovative. Productivity cannot and should not be imposed.

We have to provide the tools and the environment to make people become more productive.

The NPCC will provide more structured training programmes on productivity in the years to come. Collaboration with the Institute of Productivity for the development of courses which will be accredited by the National Open College Network of the UK.

Workshops will also be organized with high caliber international speakers and capacity building in SMEs will be reinforced for sustained productivity improvement.

Furthermore, organisations having demonstrated successful implementation of productivity improvement programmes will be rewarded and recognized through a National Productivity Award.



## NATIONAL CAMPAIGN ON PRODUCTIVITY



## NATIONAL CAMPAIGN ON PRODUCTIVITY



The National Productivity Campaign "Travay pli bien, dimé dan bien" (Work smarter, tomorrow will be better) was planned for one year - October 2012 to September 2013. The whole campaign was divided into 3 phases as follows:-

- Awareness
- Maintenance
- Sustainance

In 2013, the campaign continued with the Sustainance phase to further sensitise the Mauritian population on the importance of productivity. Various types of advertising mediums, from highway billboards to public posters, bus sheds and radio ads, were used to drive different messages of productivity to the public.

Since there was a need to re-skill the workforce and to get companies to upgrade their work processes so that Mauritians can work faster and smarter, the NPCC mounted a two-hour training programme which was delivered in companies during the campaign from February to April 2013.

## THE OUTCOME OF THIS TRAINING PROGRAMME

**8 companies followed the training programme namely:**

1. Government Printing Office
2. Esquel (Mauritius) Ltd
3. Outer Islands Development Corporation
4. Meaders Feeds Ltd
5. Craft Aid
6. B.G.H. Ltée,
7. Cargo Handling Ltd
8. CEB

## 960 EMPLOYEES WERE SENSITIZED ON PRODUCTIVITY CONCEPT AND TOOLS



## EMPOWERMENT FOR DEVELOPMENT



## EMPOWERMENT FOR DEVELOPMENT

### PROJECT CYCLE MANAGEMENT COURSE FOR NGOS

The Decentralised Cooperation Programme (DCP), funded by the European Union hired the services of the NPCC for the delivery of training courses on Project Cycle Management (PCM).<sup>12</sup> trainers were trained to deliver the PCM course and 76 representatives of Mauritian Non-Governmental Organisations(NGOs) were trained on using the principles of PCM to develop community-based projects for poverty alleviation. The training for Mauritius was conducted at the NPCC during the period May to August 2013.

The training was delivered in Rodrigues during the first week of August 2013. 25 representatives of NGOs benefited from the course.

The innovation for this project was to provide all the handouts online on the NPCC website where all participants were given secured access. They were able to download and use the handouts for themselves and their colleagues at the level of their own NGOs.

The idea was to give the maximum information to NGO members so that they could come up with innovative projects for alleviation of poverty in the community where they work. The course was delivered based on a learning-by-doing methodology where the participants were called upon to brainstorm, discuss, analyse, perform simulation activities, share experiences and conceptualise a project by working in teams facilitated by trainers of NPCC. The overall feedback on the course has been very positive with an average of above 95% on the course content, administration, design, relevance and Instructor's Presentation.



# EMPOWERMENT FOR DEVELOPMENT

## ELIT

The NPCC initiated the ELIT project with a seed grant from UNESCO in June 2005. In 2007, the ELIT project was launched inviting NGOs to take ownership of the project, that is, to train people in their own communities. Thanks to the collaborations of Municipal Council of Curepipe, Quatre Bornes and Vacoas/Phoenix and NGOs, the project was scaled up with more than 100 women trained in the period 2007 to 2013.

The course was designed to integrate three focus areas: basic productivity concepts, English Language and Information Technology. The productivity concepts are used as main themes of discussions for learning English Language and Information Technology is used both as a tool for making learning English language fun and at the same time the key terms and concepts of Information Technology are also treated as part of learning English language. As a result of this integration, many participants showed keen interest in putting in practice key productivity concepts namely: communicating effectively at home and in teams, managing time and household chores, managing a budget, managing a healthy lifestyle (nutrition, environment and health), developing a professional life (enrolling for a job or thinking about a small business project)

For the period 2013, Microsoft Indian Ocean Islands and French Pacific sponsored training of 10 NGOs in collaboration with E-Inclusion Foundation. The NGOs were subsequently empowered to organise and administer the training. For the year 2013, five NGOs were able to complete the ELIT course. 117 received a certificate.

## 5 NGOS COMPLETED THE ELIT COURSE AND 117 RECEIVED A CERTIFICATE

INSERT PHOTO  
see vimi

INSERT PHOTO  
see vimi

# EMPOWERMENT FOR DEVELOPMENT

## RODRIGUES

### 'LES ASSISES DE L'ENTREPRENARIAT 2013' IN RODRIGUES ON 6 AND 7 FEBRUARY 2013

The National Productivity and Competitiveness Council (NPCC) was invited by the Deputy Chief Commissioner's Office of the Rodrigues Regional Assembly to participate in the 'Assises de l'entrepreneuriat 2013' on the 6<sup>th</sup> and 7<sup>th</sup> February 2013, in particular to facilitate a workshop on Innovation, Creativity and Productivity.

The aim of the 'Assises de l'entrepreneuriat 2013' was to develop a strategy for entrepreneurship in Rodrigues followed by an action plan.

### WORKSHOP ON INNOVATION BY THE NPCC

Three workshops were held on Thursday 7 February 2013:

1. How to promote innovation in Rodrigues
2. What type of education, training will help to develop a culture of entrepreneurship
3. A SWOT on entrepreneurship

The NPCC facilitated the workshop on innovation, creativity and productivity with some 40 people. The group came up with a Problem Tree on why there was a lack of innovations in Rodrigues and developed recommendations to promote innovation.

The findings were presented to the audience and recommendations finalized.

### TRAINING ON INNOVATION FOR ENTREPRENEURS ON 8 FEBRUARY 2013

NPCC's help was sought by the Human Resource Centre to conduct training on innovation for 40 entrepreneurs. The training was held on Friday 8th February at Malabar. Participants understood the need to innovate in order to be more competitive.



### FACILITATES TRAINING IN INNOVATION FOR SMEs AND YOUTH IN RODRIGUES

Entrepreneurship drives innovation, and innovation drives growth. So a high level of entrepreneurship is often interpreted as a sign of a healthy economy. Those seeking to increase growth in developing economies often focus on building and nurturing entrepreneurship. Rodrigues is no exception to that rule. It was in this perspective that the office of the Deputy Chief Commissioner organized the 2<sup>nd</sup> edition of the "Salon de la Formation et des Métiers" from 6<sup>th</sup> to 8<sup>th</sup> June 2013 at the Human Resource Centre, Malabar on the theme "Métiers et Développement Durable: Conscientiser, Former et Entreprendre." The aim was to provide students, out of school youth and job seekers with the necessary information on study opportunities as well as promoting an entrepreneurial culture among youth in Rodrigues.

The National Productivity and Competitiveness Council came in as a facilitator for the workshops on creativity and innovation targeting young potential entrepreneurs and students with a view to stimulate their innovative capacities.

Through the different sessions, the sixty participants were introduced to creativity and innovations' tools. They learnt how to think innovative ways and to gain better understanding of the problem solving process. The response was very positive and the participants unanimously acknowledged that this type of training should be introduced to students in schools so as to develop an innovative culture.



# EMPOWERMENT FOR DEVELOPMENT

LAUNCHING OF WORKSHOP BY TOM PETERS

## “LEADING YOUR COMPANY LEADING YOUR WORKFORCE”

On 14 October 2013, the National Productivity and Competitiveness Council announced a full day intensive workshop by the world's leading management guru, TOM PETERS. The workshop will be held at the SVICC on 16 April 2014. Tom Peters will make all present re-imagine excellence. He will provoke participants about the moral basis for enterprises and incite them to SERVE!

TOM PETERS is referred as the Red Bull of Management. In fact, he has been credited with inventing the modern management guru industry. He is the chairman of Tom Peters Company. Tom Peters is ranked among the 10 best management gurus in the world. Tom Peters is well known for his books which he co-authored with others, namely In Search of Excellence in 1982, A Passion for Excellence in 1985 and in 2003, Re-imagine: Business Excellence in a Disruptive Age. Tom Peters returned to the theme of excellence and was extended in the Essentials series, which ran through the 2000s. Tom Peter's most recent book is The Little BIG Things: 163 Ways to Pursue EXCELLENCE, (2010).



# tompeters!

One Full day Workshop on the theme  
“**Leading Your Company,  
Leading Your Workforce**”

# EMPOWERMENT FOR DEVELOPMENT

## THE LAUNCHING OF NPCC PRODUCTIVITY AWARD

The National Productivity and Competitiveness Council (NPCC) is organizing the NPCC Productivity Award 2014 to recognize excellence in organization in productivity management.

The NPCC Productivity Award 2014 was launched on 24 October 2013 and is an extension of the Productivity Campaign 2013. The aim is to reward and give recognition to individuals, businesses and public sector organizations for their outstanding productivity improvement initiatives. Both private and public sector organizations were invited to participate.

## THE REWARDS AND INCENTIVES

Two representatives of each winning team will participate in a Productivity Study Tour in Malaysia. The NPCC will finance the air ticket and accommodation in Malaysia. The winners will visit model enterprises which have already attained a high level of Productivity. They will also benefit from training sessions and interaction with top Malaysian Productivity Experts. Trophies and certificates will also be awarded.

Winners of the award will be eligible to use the award logo for publicity purpose for two years. Winners of the award will also benefit from a 20% discount on NPCC training courses for one year. Certificates of participation will be awarded to all other companies.

The Award ceremony will be held on Friday 04 July 2014.

## There are three categories of participants, namely:

1. Small and medium private enterprises (with less than Rs 50 million annual turnover)
2. Large private enterprises (more than Rs 50 million annual turnover)
3. Government departments and parastatals.





## BEST PRACTICES



## BEST PRACTICES

### TRAINING IN 5S AND KAIZEN FOR THE TRAINING ACADEMY OF THE FOOD AND ALLIED GROUP

The National Productivity and Competitiveness Council (NPCC) in collaboration with the Training Academy of the Food and Allied group had been delivering training courses in quality circles, KAIZEN and 5S to the Food and Allied Group of companies since 2011.

### MEMORANDUM OF UNDERSTANDING

A first Agreement for Services was signed on the 3 October 2011 between the National Productivity and Competitiveness Council (NPCC) and Newskills Limited. The Agreement of Services was renewed in November 2013 for a period of two years.

The NPCC delivered three training courses on Quality Circles in 2013 to Freight and Transit Company Limited, Triamad Company Limited and Maurilait Production Ltée.





## BEST PRACTICES

### TRAINING IN CUSTOMER SERVICE FOR BEACH HAWKERS AND PLEASURE CRAFT OPERATORS REGISTERED WITH THE TOURISM AUTHORITY

Training programmes was organized on customer service for frontline operators of the Tourism sector. The programme targeted 500 beach hawkers and pleasure craft operators in order to enable them to provide a service of high standard, act in professionals and equip them with the necessary tools pertaining to customer service. The Tourism Authority partnered with the National Productivity and Competitiveness Council (NPCC) for the monthly delivery of three-hour training courses every month in hotels around the island.

Ten training courses have been delivered since March 2013 in different hotels where the beach hawkers and pleasure craft crew normally operate. Certificates of attendance were handed over by the NPCC to all the participants.



### PRODUCTIVITY IMPROVEMENT PROGRAMME AT MAURITIUS DUTY FREE PARADISE CO LTD

The National Productivity and Competitiveness Council (NPCC) embarked on a Productivity Improvement Programme (PIP) with the Mauritius Duty Free Paradise Co Ltd (MDFP Co Ltd) since November 2012. Seven demonstration projects in priority areas had been identified by a core group of employees and following approval of the projects by the management of the MDFP Co Ltd, cross functional teams had been set up to work on the projects and to implement solutions under the supervision of the NPCC consultancy team.

The following projects were undertaken:

1. Project 1: Improving the management of expiry dates of chocolates (from Warehouse to Sub-Store)
2. Project 2: Implementing 5s in warehouse

3. Project 3: Improving time delivery of Perfumes and Cosmetics from Warehouse to Shops

4. Project 4: Improving lead time of payment process for internal and external customers

5. Project 5: Applying first 3S in Departure Shop

6. Project 6: Reducing time taken in doing requisition and filling of shelves in Departure shop

7. Project 7: To reduce variations of stock for liquor

A Value Stream Mapping Process was undertaken with the management team in November 2013 to define a plan of action for the sustained implementation of the projects.

## BEST PRACTICES

### LAUNCHING OF GoSME

The Growth and Opportunities for SME project (GoSME) was initiated following the 2014 budget speech by the the Vice-Prime Minister, Minister of Finance and Economic Development, when he announced that NPCC will train 500 SMEs for the year 2014. The project was launched by the Honourable Xavier-Luc Duval on the 5<sup>th</sup> December 2013 at the BPML Conference Hall at Cyber Tower 1, Cybercity Ebene. More than 350 participants attended the launching which was followed by a workshop on Productivity Improvement for SMEs by John Heap, Managing director of the Institute of Productivity and President of the World Confederation of Productivity Science.

The GoSME project aims to improve the productivity of SMEs through implant productivity improvement and training of a productivity champion and of the SMEs. The project will be deployed in 3 phases: phase 1 being the analysis of the company followed by phase 2: training of a productivity champion from the SME and phase 3: implementation of one productivity improvement project by the productivity champion with in-plant training by NPCC. The productivity champion will be trained on productivity tools which have to be adapted to the reality of their own SME. In short, the SMEs will become better, faster and cheaper by implementing the GoSME project and will be able to sustain the improvement with a trained productivity champion in house.



**120 SMEs REGISTERED FOR THE GOSME PROJECT ON THE DAY OF THE LAUNCHING AND AS AT 31<sup>ST</sup> DECEMBER 2013 MORE THAN 140 SMEs HAD REGISTERED FOR THE PROJECT.**

# BEST PRACTICES

## WORKSHOP BY JOHN HEAP, PRESIDENT OF THE WORLD CONFEDERATION OF PRODUCTIVITY SCIENCE

The launching event of the GoSME project was followed by a workshop on SME Productivity Improvement, conducted by John Heap. John Heap explained the basic definition of productivity and highlighted the key problems faced by SMEs and gave an overview of the path towards excellence for SMEs.

Entrepreneurs who attended the workshop have been inspired on how to establish or review their critical success factors and key performance indicators.



**John Heap**  
President of the World Confederation of Productivity Science

## WORKSHOP FOR EDUCATION SECTOR

During his visit, John Heap also conducted a workshop for the Curriculum Department of the Ministry of Education and Human Resources. John Heap made a presentation on "Education for Productivity Improvement." He highlighted the need for the young to understand what productivity is – and why it is important to the national economy, to the organisations they will work for, to society generally, and to their own well-being. He also elaborated that the youngsters need to be encouraged to ask questions, to challenge, think 'smart', think creatively, think differently, and to understand moral, ethical & social issues.



**40 PARTICIPANTS REPRESENTING, TEACHERS, HEAD TEACHERS, STAFF OF THE MAURITIUS INSTITUTE OF EDUCATION AND THE MINISTRY OF EDUCATION AND HUMAN RESOURCES, ATTENDED THE WORKSHOP.**

# BEST PRACTICES

## IN PARALLEL, THE PRODUCTIVITY ACADEMY RAN 6 SHORT COURSES AS SHOWN BELOW:

COURSE TITLE	DATE	NO OF PARTICIPANTS
ENHANCING PRODUCTIVITY THROUGH IMPROVED COMMUNICATION	24 - 25 JULY	19
LEADING EFFECTIVE TEAMS	30 SEP, 2, 4 OCT	16
BUSINESS COMMUNICATION FOR WORLD KNITS	17, 24 AUGUST	22
PROMOTING EMPLOYEE INVOLVEMENT THROUGH QUALITY CIRCLES AND SUGGESTION SCHEMES	11,13,15 NOVEMBER	24
LEAN MANAGEMENT FOR SERVICE IMPROVEMENT	8-9 MAY	12

## TWO HOURS IN-PLANT TRAINING ON PRODUCTIVITY

In the context of the National Productivity Campaign 2012-2013, 960 employees were sensitized on Productivity concept and tools during a two hour in-plant training offered by NPCC. The feedback from the trainees was very good.

The employees shared a lot about their work experience and identified areas of improvement in their respective organisations.

## PARTICIPATING ORGANISATIONS WERE AS FOLLOWS:

NO	COMPANY	NO OF SESSIONS
1	Government Printing Office	8
2	Esquel (Mauritius) Ltd	5
3	Outer Islands Development Corporation	1
4	Meaders Feeds Lts	2
5	Craft Aid	3
6	B.G.H. Ltée,	1
7	Cargo Handling Ltd	1
8	CEB	9

## BRAINSTORMING ON THE PRODUCTIVITY ACADEMY AND ACCREDITATION OF NPCC COURSES BY NOCN

A special meeting was held with Graham Hastings-Evans, Director of NOCN (National Open College Network), John Heap from the IoP (Institute of Productivity, UK) and staff of the NPCC in December 2013. The objectives of this meeting were to define a new direction for developing a Productivity and Competitiveness Academy and the areas of collaboration with NOCN and the IoP.

Following the meeting and a brainstorming session, facilitated by John Heap with staff and Chairman of NPCC, it was agreed that the Productivity and Competitiveness Academy should offer a Diploma in Productivity and Quality Development. The diploma will be developed by the Institute of Productivity and accredited by NOCN.

The Diploma will be a modular qualification allowing participants (and their employers) to tailor a programme of study to their particular needs. The modules will be designed to be practical and interactive so that participants develop both the knowledge and skills necessary to assess, improve and develop productivity. Alongside the technical productivity skills, students will develop a range of personal and communication skills to build the confidence they need to tackle complex real-world problems and situations.



# BEST PRACTICES

## IN-PLANT TRAINING AND CONSULTANCY - WORKSHOP BY MR GIOVANNI SOMMARIVA

Mr Sommariva, Dyer and Finishing Advisor, visited Mauritius from 18<sup>th</sup> October to 25<sup>th</sup> October 2013. He was accompanied by Mr Martin Downey, a trader in refurbished second hand machinery. During their stay in Mauritius, the two consultants conducted a free workshop; "Textile: A world of cooperation - How to enhance the capital productivity of the Textile & Apparel sector". The overall objective of the workshop was to motivate SMEs to work together to be more productive.

Prior to the workshop, both consultants conducted free half-day consultancy visits to four companies, namely: Craft Aid Ltd, Universal Fabrics Ltd, FM Denim Ltd and AASII Ltd. The consultancy visits were focused mainly on the machinery being used for production followed by discussion with production managers about capital productivity and the possibilities for investing in refurbished machinery to improve productivity.

The workshop was held on the 28th October 2013. 23 participants attended the workshop. Mr Sommariva focused on Capital Productivity and Mr Downey presented a case study on the increase in profitability and expansion of a major textile enterprise in Bangladesh through wise investment in machinery. The participants present discussed issues concerning the sourcing of small volume of dyed fabrics and the rising cost of production along with the crisis in the European market.

**23 PARTICIPANTS  
ATTENDED THE  
WORKSHOP.**

**INSERT PHOTO  
see Dominique**

**INSERT PHOTO  
see Dominique**





## DISSEMINATION OF KNOWLEDGE

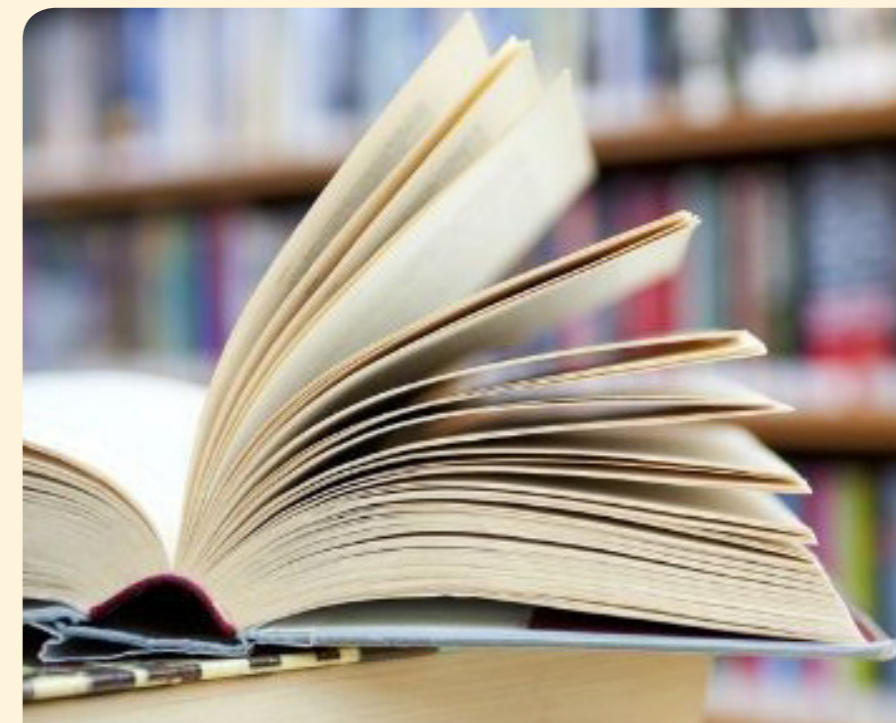


## DISSEMINATION OF KNOWLEDGE

Knowledge is today a direct competitive advantage for companies. Acquiring, accessing and disseminating new knowledge is key if a company wants to strive and remain among the most performing ones in this highly competitive environment.

For the period under review, the NPCC Knowledge Centre, in its role as a resource centre for published works on productivity, quality and competitiveness issues, has acquired 427 new resources which have been put at the disposal of its stakeholders.

**427 NEW  
RESOURCES  
HAVE BEEN  
ACQUIRED  
AT THE  
DISPOSAL OF  
STAKEHOLDERS**







## CORPORATE SERVICES



## CORPORATE SERVICES

### THE TEAM

The total number of staff on the establishment at 31<sup>st</sup> December 2013 was 35. 17 staffs were in post and including two Office Attendants/Drivers and three support staffs.

### THE FOLLOWING RECRUITMENT HAS BEEN EFFECTED DURING THE FINANCIAL YEAR:

NAME	POST	DATE JOINED
Roshnee BOYJOO	Productivity Executive	20.11.2013
Koyal RAMNORUTH	Productivity Executive	02.12.2013
Billal OOZEER	Productivity Executive	02.12.2013
Dharmashinee SACCARAM	Sales and Marketing Executive	02.12.2013

### CAPACITY BUILDING

The NPCC staff requires knowledge/access to knowledge and a range of specific skills to be able to adapt in a constantly changing global environment and serve the Productivity Movement to the best of their abilities. Staff are sponsored to attend training programmes, Conferences and workshops both locally and abroad.

### DURING THE PERIOD UNDER REVIEW, NPCC STAFF HAVE UNDERGONE TRAINING AS FOLLOWS:-

- Mrs Vijayelaksmee Goorah, Productivity Specialist and Mrs Shalini Mathaven, Productivity Executive, participated in a "Study Mission on Green Productivity" from 29<sup>th</sup> May to 4<sup>th</sup> June 2013. The Study Mission consisted of training on Green Productivity and Company visits. The Mauritius team also presented a case study on Green Productivity during the TICAD V Side Event held on 2<sup>nd</sup> June 2013. The visit was funded by the Japanese Government through the Ministry of Economy, Trade and Industry.
- Mrs R Gukhool, Executive Assistant, attended a one day workshop on Procurement & Supplies organised by the International Sustainable Performance Institute on 29 .11. 2013.





## INTERNATIONAL NETWORKING



## INTERNATIONAL NETWORKING

International networking plays a key role in the development and success of an organization. It is a powerful source of Knowledge and new ideas as well as an opportunity to identify and promote the development of quality collaboration in productivity with international partners. The NPCC International Networking objective is to put emphasis on collaborative efforts to develop, share and transfer skills and competencies required to strengthen the organisation.

No networking mission was undertaken during 2013.

During the Financial year, the NPCC has been a member of the following boards/ committees/ organizations:-

The Executive Director of the NPCC is a member of the Human Resource Development Council.

The NPCC is a member of the Pan African Productivity Association (PAPA). Mr K Chuttur, Chairman of the NPCC is presently the 1st Vice President of PAPA and Mr D Appalswamy, Officer in Charge is a board member of PAPA. PAPA is the umbrella organisation established essentially for championing the enhancement of productivity in Africa in order to leverage the competitiveness of the African continent.

NPCC is a member of Global Benchmarking Network (GBN). The GBN is a global network of organisations and experts focused on promoting and facilitating the use of benchmarking and sharing of best practices by helping one other, and working together.

The NPCC is also a member of The Competitiveness Institute (TCI). TCI is the leading global network for practitioners, policy makers, researchers and business leaders working towards improving competitiveness mainly through development of specific regions and worldwide.

# REPORT OF THE DIRECTOR OF AUDIT 2013

## REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of the National Productivity and Competitiveness Council, which comprise the statement of financial position as of 31 December 2012, the statement of financial performance and the statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

## MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

## AUDITOR'S RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## OPINION

In my opinion, the financial statements give a true and fair view of the financial position of the National Productivity and Competitiveness Council as at 31 December 2012, and of its

financial performance and its cash flows for the year then ended in accordance with the International Public Sector Accounting Standards.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

## MANAGEMENT'S RESPONSIBILITY

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

## AUDITOR'S RESPONSIBILITY

In addition to the responsibility to express an opinion on the financial statements described above, my responsibility includes expressing an opinion on whether the activities, financial transactions and information reflected in the financial statements are, in all material respects, in compliance with the laws and authorities which govern them.

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

## STATUTORY BODIES (ACCOUNTS AND AUDIT) ACT

The Council is responsible to keep proper accounting records for the purpose of recording all the transactions relating to the undertakings, funds, activities and property.

## OPINION

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



(Dr R. JUGURNATH)  
Director of Audit

National Audit Office  
Level 14,  
Air Mauritius Centre  
Port Louis

18 September 2013

## Statement of Outturn for the fiscal year ended 31 December 2012

### ACCOUNTS


Details	Revised Estimates Rs	Actual Rs
Salaries and Allowances	9,606,612	10,171,428
Travelling & Transport	1,059,932	1,045,411
Overtime	33,970	24,795
Staff Welfare	40,000	21,256
Contribution to the N.S.F.	51,000	49,671
Cost of Utilities	510,000	435,199
Fuel & Oil - Vehicles	85,000	69,258
Rental of Building	3,251,832	3,251,832
Office Equipment	150,000	99,000
Office Furniture	10,000	-
Office Expenses	231,000	293,179
Maintenance	726,768	563,729
Cleaning Services	110,400	110,400
Publications and Stationery	475,000	209,533
Overseas Travel	100,000	-
Fees	1,941,000	1,625,721
Pensions	797,280	797,265
Gratuities	195,400	162,970
Insurance - Vehicles	41,893	56,978
Insurance - Equipment & Staff	331,347	332,007
Acquisition of Non-Financial Assets	50,000	-
Training and Consultancy	800,000	466,626
Promotion, Communication & Sensitisation	2,700,000	2,666,418
Knowledge centre	110,000	84,689
International Networking	130,000	92,250
<b>Total</b>	<b>23,538,434</b>	<b>22,629,615</b>



## Statement of Financial Position as at 31 December 2012

	NOTES	December 31 2012	December 31 2011
		Rs	Rs
<b>ASSETS</b>			
<b>Current assets</b>			
Trade and Other Receivables	5	2,175,040	2,534,870
Cash & Cash Equivalents		13,971,112	13,311,127
		<u>16,146,152</u>	<u>15,845,997</u>
<b>Non-current assets</b>			
Plant and Equipment	6	325,210	500,062
<b>Total assets</b>		<u>16,471,362</u>	<u>16,346,059</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade & Other Payables	7	4,638,743	3,923,992
<b>Non Current liabilities</b>			
	8	4,979,158	4,617,126
<b>Total liabilities</b>		<u>9,617,901</u>	<u>8,541,118</u>
<b>Net Assets</b>		<u>6,853,461</u>	<u>7,804,941</u>
<b>EQUITY</b>			
General Fund	9	6,853,461	7,804,941

The Notes to the Accounts from pages 69 to 80 form part of the Financial Statement.

  
Mr L.K. Chuttur  
Chairman

  
Ms J. Yee Sak Chan  
Council Member

## Statement of Financial Performance for the fiscal year ended 31 December 2012

	NOTES	December 31 2012	December 31 2011
		Rs	Rs
<b>Revenue</b>			
Income		2,189,150	3,127,141
Government Grant	10	18,901,000	18,983,465
Other Income	11	869,069	881,317
<b>Total Revenue</b>		<u>21,959,219</u>	<u>22,991,923</u>
<b>Expenses</b>			
Staff costs	12	11,763,235	12,911,339
Administrative costs	13	7,388,778	6,524,905
Other expenses	14	3,309,983	1,589,457
Depreciation		273,852	450,507
<b>Total Expenses</b>		<u>22,735,848</u>	<u>21,476,208</u>
Surplus for the year		(776,629)	1,515,715
Surplus brought forward		7,304,880	5,789,165
Surplus carried forward		<u>6,528,251</u>	<u>7,304,880</u>

## Statement of changes in equity for the fiscal year ended 31 December 2012

	CAPITAL FUND	RESERVES	TOTAL
<b>As at 1 January 2012</b>	500,062	7,304,880	7,804,942
Transfer from Government Grant	99,000		99,000
Deferred income - transferred to Income & Expenditure	(273,852)		(273,852)
Deficit for the year		(776,629)	(776,629)
<b>As at 31 December 2012</b>	<u>325,210</u>	<u>6,528,251</u>	<u>6,853,461</u>

## Statement of Cash Flows for the fiscal year ended 31 December 2012

	December 31 2012	December 31 2011
<b>A. Cash Flow from operating activities</b>		
Surplus for the period	(776,629)	1,515,715
<b>Adjustments for:</b>		
Depreciation	273,852	450,507
Amortisation of capital grant	(273,852)	(450,507)
Operating Surplus before working capital changes	(776,629)	1,515,715
(Increase) / Decrease in Receivables	(83,018)	1,929,593
Increase / (Decrease) in Payables	1,519,632	(5,003,934)
<i>Net cash flow from operating activities</i>	<u>659,985</u>	<u>(1,558,626)</u>
<b>B. Investing activities</b>		
Purchase of Property, plant and equipment	(99,000)	(16,535)
<b>C. Financing activities</b>		
Capital grant	99,000	16,535
	<u>99,000</u>	<u>16,535</u>
Increase / (Decrease) in cash and cash equivalent	659,985	(1,558,626)
Cash and cash equivalent at the beginning of the period	13,311,127	14,869,753
Cash and cash equivalent at the end of the period	<u>13,971,112</u>	<u>13,311,127</u>

## Statement of Budgets and Accrued Based Amounts for the fiscal year ended 31 December 2012

Details	Estimates Rs	Revised Estimates Rs	Financial Statements Rs
Salaries and Allowances	10,294,740	9,606,612	10,171,428
Travelling & Transport	1,315,680	1,059,932	1,045,411
Overtime	60,000	33,970	24,795
Staff Welfare	50,000	40,000	21,256
Contribution to the N.S.F.	55,200	51,000	49,671
Cost of Utilities	600,000	510,000	435,199
Fuel & Oil - Vehicles	100,000	85,000	69,258
Rental of Building	3,260,000	3,251,832	3,251,832
Office Equipment	250,000	150,000	99,000
Office Furniture	10,000	10,000	-
Office Expenses	185,000	231,000	293,179
Maintenance	820,700	726,768	563,729
Cleaning Services	114,000	110,400	110,400
Publications and Stationery	495,000	475,000	209,533
Overseas Travel	350,000	100,000	-
Fees	1,971,000	1,941,000	1,625,721
Pensions	797,280	797,280	797,265
Gratuities	250,800	195,400	162,970
Insurance - Vehicles	80,000	41,893	56,978
Insurance - Equipment & Staff	360,000	331,347	332,007
Acquisition of Non-Financial Assets	50,000	50,000	-
Training and Consultancy	1,025,000	800,000	466,626
Promotion, Communication & Sensitisation	1,200,000	2,700,000	2,666,418
Knowledge centre	110,000	110,000	84,689
International Networking	140,000	130,000	92,250
<b>Total</b>	<b>23,944,400</b>	<b>23,538,434</b>	<b>22,629,615</b>

## Statement showing reasons for variances between Estimates and Revised Estimates for the fiscal year ended 31 December 2012

Details	Estimates Rs	Revised Estimates Rs	Variation Rs	Comments
Salaries and Allowances	10,294,740	9,606,612	(688,128)	Provision made for recruitment, not effected
Travelling & Transport	1,315,680	1,059,932	(255,748)	
Overtime	60,000	33,970	(26,030)	
Staff Welfare	50,000	40,000	(10,000)	
Contribution to the N.S.F.	55,200	51,000	(4,200)	
Cost of Utilities	600,000	510,000	(90,000)	
Fuel & Oil - Vehicles	100,000	85,000	(15,000)	
Rental of Building	3,260,000	3,251,832	(8,168)	
Office Equipment	250,000	150,000	(100,000)	
Office Furniture	10,000	10,000	-	
Office Expenses	185,000	231,000	46,000	
Maintenance	820,700	726,768	(93,932)	
Cleaning Services	114,000	110,400	(3,600)	
Publications and Stationery	495,000	475,000	(20,000)	
Overseas Travel	350,000	100,000	(250,000)	No official overseas travel effected in 2012
Fees	1,971,000	1,941,000	(30,000)	
Pensions	797,280	797,280	-	
Gratuities	250,800	195,400	(55,400)	
Insurance - Vehicles	80,000	41,893	(38,107)	
Insurance - Equipment & Staff	360,000	331,347	(28,653)	
Acquisition of Non-Financial Assets	50,000	50,000	-	
Other Recurrent Expenditure				
Training and Consultancy	1,025,000	800,000	(225,000)	
Promotion, Communication & Sensitisation	1,200,000	2,700,000	1,500,000	Productivity Campaign launch in Oct 2012
Knowledge centre	110,000	110,000	-	
International Networking	140,000	130,000	(10,000)	
<b>Total</b>	<b>23,944,400</b>	<b>23,538,434</b>	<b>(405,966)</b>	



# Notes for the year ended 31 December 2012

## 1. GENERAL INFORMATION

The National Productivity and Competitiveness Council (NPCC) was established as a corporate body under the National Productivity and Competitiveness Council Act 9 of 1999 and came into operation in May 2000. The office of the NPCC is presently located at 4th floor, Alexander House, Ebene, Cybercity.

The object of the Council is to stimulate and generate productivity and quality consciousness and drive the productivity and quality movement in all sectors of the economy with a view to raising national output and achieving sustained growth and international competitiveness. The Council therefore designed the implementation of actions based on four main strategic thrust as follows:

- Promotion of Productivity and Competitiveness Issues of National Interest
- Promotion of Innovation
- Improvement of Business Environment and Corporate Productivity
- Empowering people

## 2. BASIS OF PREPARATION

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

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

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

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

At the date of authorisation of the financial statements, the following relevant Standards and Interpretations were in issue but effective on annual periods beginning on or after the respective dates as indicated:

IPSAS 28 Financial Instruments: Presentation - effective date 1<sup>st</sup> January 2013

IPSAS 29 Financial Instruments: Recognition and Measurement - effective date 1<sup>st</sup> January 2013

IPSAS 30 Financial Instruments: Disclosures - effective date 1<sup>st</sup> January 2013

IPSAS 32 Service Concession Arrangements: Grantor - effective date 1<sup>st</sup> January 2014

### 2(a) Accounting Judgements and key sources of estimation uncertainty

The preparation of financial statements in accordance with IPSAS requires the NPCC's management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. Judgement and estimates are continuously evaluated and are based on historical experience and other factors, including expectations and assumptions concerning future events that are believed to be reasonable under the circumstances. The actual results could, by definition therefore, often differ from the related accounting estimates. Judgement has been exercised in determining provisions for Current Liability on Passage Benefits.

# Notes for the year ended 31 December 2012

## 3. MEASUREMENT BASE

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

## 5. ACCOUNTING POLICIES

The following specific accounting policies that materially affect the measurement of financial performance and the financial position are applied:

### (a) Revenue Recognition

#### Income

Income is measured at the fair value of the consideration received.

#### Government Grant

The revenue necessary to finance the expenditure of NPCC is derived from the National Assembly by means of the Annual Estimates and the corresponding Appropriation Act. Government recurrent grant is recognized to the extent that expenditure has been incurred.

Government grant received to finance expenditure on property, plant and equipment is recognized as a deferred income in the Statement of Financial Position and is released to the Statement of Performance over the life of the assets.

### (b) Trade and Other Receivables

Trade receivables do not carry any interest and are stated at

their nominal value. The carrying amount of trade receivables is reduced when a trade receivable is uncollectible.

### (c) Leased assets

NPCC does not have any finance leases.

### (d) Foreign currency transactions

Transactions in foreign currencies are translated to Mauritian rupee at the exchange rate ruling at the date of transaction.

### (e) Employee Entitlements

Employee entitlements to salaries, pension costs, and other benefits are recognized when they are earned. Employees are allowed to bank sick leaves not taken at the end of each calendar year up to a maximum of 110 days as at 31 December 2011. The balance of bank sick leave is valued at the end of the financial year and is recognised as long term payables. Beyond this ceiling of 110 days, officers are refunded part of the annual entitlement of sick leaves not taken at the end of every calendar year and is expensed to the Statement of Financial Performance.

A provision is made for the estimated liability for passage benefits. The passage benefits for each staff are valued at year end and amounted to Rs 480,779/- at 31st December 2012. The annual increase in passage benefits is expensed to the Statement of Financial Performance.

## Notes for the year ended 31 December 2012

### Defined Benefits Pension Plan

The Council makes provision for retirement benefits in respect of all employees who are on establishment under the Statutory Bodies Pension Act. The NPCC Staff Pension Fund is a defined benefit plan and its assets are managed by the SICOM Ltd. The cost of providing the benefit is determined in accordance with an actuarial review.

The assets of the funded plan are held and administered by the SICOM Ltd.

The defined benefit pension plan for the Council is based on the report submitted by SICOM Ltd, "see note 16" as at 31 December 2011 and 31 December 2012.

### (f) Property, plant and equipment (PPE)

#### Recognition and measurement

Property and equipment are stated in the Statement of Financial Position at cost less accumulated depreciation. PPE are depreciated (as outlined below) at rates estimated to recognise the consumption of economic benefits of the property, plant and equipment over their useful lives.

#### Depreciation

Depreciation is calculated on a straight-line basis to recognise the consumption of economic benefits of an asset over its useful life. A full year depreciation is provided in the year of purchase.

The estimated useful lives of property and equipment are as follows:

Furniture Fixtures & Fittings	10 years
Office Equipment	6.67 years
Computer Equipment	4 years
Motor Vehicles	5 years

### (g) Statement of Cash Flows

The Cash Flow Statement is prepared using the indirect method.

### (h) Operating Lease Obligations

Leases where substantially all the risks and rewards of ownership remain with the lessor are classified as operating leases. Payments of rent made under operating leases are charged in the Statement of Financial Performance on a straight-line basis over the term of the lease.

NPCC entered into a five year operating lease with Stanmore Investment Ltd, for office space at Alexander House, Ebene in January 2007. Operating lease payments for the year ended 31st December 2012 were Rs 3,251,832/- (year ended December 2011: Rs3,251,832 ). The monthly rental is presently Rs 292,664/-The lease has been further extended for one year, ending 31<sup>st</sup> December 2013.

### (i) Risk management Policies

#### Financial risks

The NPCC, as a public sector entity, is not much exposed to financial risks.

#### Credit risk

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

#### Interest rate risk

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

#### Liquidity Risk

This refers to the possibility of default by the Council to meet its obligations because of unavailability of funds to meet both operational and capital requirements. In order to ensure adequacy of its funding, cash flow is managed regularly and actions taken accordingly.

## Notes for the year ended 31 December 2011

### (j) Employee Disclosure

As at December 31, 2011 and December 31, 2012, NPCC had 14 full-time employees and 1 trainee, out of which 9 are technical.

### (k) Key Management Personnel

NPCC is governed by a management with key personnel that, at 31st December 2012, included the Executive Director and two Productivity Consultant who are responsible for operating the various activities of the organisation. The aggregate remunerations of key management personnel was Rs 3,857,960/- for the period 1st January to 31st December 2012, which are all short term benefits.

### (l) Related Parties

For the purposes of these financial statements, parties which are considered to be related to the NPCC are other government ministries/ departments and parastatal bodies if they have the ability, directly or indirectly, to control the NPCC or exercise significant influence over the financial and operating decision making, or vice versa. Related parties may be individuals or other entities. There were no transactions conducted with related parties other than at arm's length.

### (m) Trade Payables

Trade payables are not interest bearing and are stated at their nominal value.

## 5. TRADE AND OTHER RECEIVABLES

	31 December 2012	31 December 2011
	Rs	Rs
Debtors	199,208	635,642
Prepayments	54,414	44,520
Deposits	778,540	778,540
Retirement benefit obligation - "see note 16"	509,560	-
Advances ( Car loan granted by government to Staff )	633,318	1,076,168
	<b>2,175,040</b>	<b>2,534,870</b>

## Notes for the year ended 31 December 2012

### 6. PLANT AND EQUIPMENT

	Furniture Fixtures & Fittings Rs	Office Equipment Rs	IT Equipment Rs	Motor Vehicles Rs	Total Rs
<b>COST</b>					
At 1 Jan 2012	1,594,129	1,087,881	3,632,713	2,246,300	8,561,023
Additions / ( Disposal )		99,000		(1,499,000)	(1,400,000)
<b>At 31 December 2012</b>	<b>1,594,129</b>	<b>1,186,881</b>	<b>3,632,713</b>	<b>747,300</b>	<b>7,161,023</b>
<b>DEPRECIATION</b>					
At 1 Jan 2012	1,504,091	1,059,248	3,251,322	2,246,300	8,060,961
Charge for the year	47,103	33,924	192,825		273,852
Disposal				(1,499,000)	(1,499,000)
<b>At 31 December 2012</b>	<b>1,551,194</b>	<b>1,093,172</b>	<b>3,444,147</b>	<b>747,300</b>	<b>6,835,813</b>
<b>NET BOOK VALUES</b>					
<b>At 31 December 2012</b>	<b>42,935</b>	<b>93,709</b>	<b>188,566</b>	<b>-</b>	<b>325,210</b>
<b>At 31 December 2011</b>	<b>90,038</b>	<b>28,633</b>	<b>381,391</b>	<b>-</b>	<b>500,062</b>

### 7. TRADE & OTHER PAYABLES

	31 December 2012 Rs	31 December 2011 Rs
Trade payables	868,961	242,240
Provisions	850,000	850,000
Other payables and accruals	2,473,932	1,969,736
Car loan - 'see note 9(a)'	192,850	447,016
Provision for Passage benefit - 'see note 9(c)'	253,000	415,000
	<b>4,638,743</b>	<b>3,923,992</b>

## Notes for the year ended 31 December 2012

### 8. NON CURRENT LIABILITIES

	31 December 2012 Rs	31 December 2011 Rs
Car loan - refundable by staff	440,468	629,151
Provision for Leaves refund	4,310,911	3,762,583
Provision for Passage Benefit	227,779	225,391
	<b>4,979,158</b>	<b>4,617,126</b>
<b>8 (a) Car loan - refundable by staff</b>		
Amount due		
Deduct : Amount falling due within one year	633,318 (192,850)	1,076,168 (447,017)
Amount falling due after more than one year	<b>440,468</b>	<b>629,151</b>
<b>8 (b) Provision for Leaves refund</b>		
At start of the period		
Provision for the year	3,762,583	3,355,304
At end of the period	548,328	407,279
	<b>4,310,911</b>	<b>3,762,583</b>
<b>8 (c) Provision for Passage Benefit</b>		
At start of the period		
Payments during the year		
Provision for the year	640,391 (467,293)	991,484 (626,647)
At end of the period	307,682	275,554
Deduct : Amount falling due within one year	<b>480,779</b>	<b>640,391</b>
Amount falling due after more than one year	253,000	415,000
	<b>227,779</b>	<b>225,391</b>



## Notes for the year ended 31 December 2012

### 9. GENERAL FUND

	31 December 2012 Rs	31 December 2011 Rs
Capital Fund " see note 16 "	325,210	500,062
Surplus of income carried forward	6,528,251	7,304,880
	<u>6,853,461</u>	<u>7,804,942</u>
<b>10. GOVERNMENT GRANT</b>		
Grant Received	19,000,000	19,000,000
Less Grant devoted to Capital Expenditure	(99,000)	(16,535)
	<u>18,901,000</u>	<u>18,983,465</u>

The amount of Rs 99,000 has been credited to the capital grant account and will be amortised over the useful life of the assets purchased.

### 11. OTHER INCOME

Interest received	491,591	415,784
Miscellaneous income	103,626	15,027
Deferred Income in respect of Government Grant	273,852	450,507
	<u>869,069</u>	<u>881,317</u>

### 12. STAFF COSTS

Salaries and allowances	10,171,427	10,874,736
Travelling & Transport	1,045,411	1,251,908
Overtime	24,795	41,772
Staff Welfare	21,256	24,159
Contribution to the N.S.F.	49,671	55,815
Pensions	287,705	411,814
Gratuities	162,970	251,135
	<u>11,763,235</u>	<u>12,911,339</u>

## Notes for the year ended 31 December 2012

### 13. ADMINISTRATIVE COSTS

	31 December 2012 Rs	31 December 2011 Rs
Cost of utilities	435,199	520,214
Fuel & oil - vehicles	69,258	82,605
Rental of building	3,251,832	3,251,832
Office expenses	293,179	117,909
Maintenance	563,729	773,052
Cleaning services	110,400	110,400
Publications and stationery	209,533	293,735
Fees	1,625,721	959,758
Insurance - vehicles	56,978	49,723
Insurance - staff & equipment	332,007	365,677
Provision for bad debt	440,942	-
	<u>7,388,779</u>	<u>6,524,905</u>

### 14. OTHER COSTS

Training and consultancy	466,626	1,098,754
Promotion, communication & sensitisation	2,666,418	207,285
Knowledge centre	84,689	101,581
International networking	92,250	134,106
Difference on foreign exchange	-	47,732
	<u>3,309,983</u>	<u>1,589,457</u>

### 15. CAPITAL FUND

Balance b/f	500,062	934,033
Transfer from government grant	99,000	16,535
Less Deferred Income	(273,852)	(450,506)
	<u>325,210</u>	<u>500,062</u>

## Notes for the year ended 31 December 2012

### 16. RETIREMENT BENEFIT OBLIGATION

	Year ending 31 December 2012	Year ending 31 December 2011
	Rs	Rs
<b>Amounts recognised in balance sheet at end of year:</b>		
Present value of funded obligation (Fair value of plan assets)	7,067,833 (7,379,860) <u>(312,027)</u>	6,131,740 (5,908,759) <u>222,981</u>
Present value of unfunded obligation	0	0
Unrecognised actuarial gain/(loss)	(197,533)	(267,970)
Unrecognised transition amount	0	0
<b>Liability recognised in balance sheet at end of year</b>	<b><u>(509,560)</u></b>	<b><u>(44,989)</u></b>
<b>Amounts recognised in income statement:</b>		
Current service cost (Employee contributions)	635,573 (413,770)	600,776 (384,251)
Fund expenses	67,003	21,134
Interest cost	613,174	557,670
(Expected return on plan assets)	(642,453)	(554,496)
Actuarial loss/(gain) recognised	0	0
Past service cost recognised	0	0
Transition effect of adopting IAS 19	0	0
<b>Total, included in staff costs</b>	<b><u>259,527</u></b>	<b><u>240,833</u></b>
<b>Movements in liability recognised in balance sheet:</b>		
At start of year	(44,989)	386,617
Total staff cost as above	259,527	240,833
(Actuarial reserves transferred in)	0	0
(Contributions paid by employer)	(724,098)	(672,439)
At end of year	<b><u>(509,560)</u></b>	<b><u>(44,989)</u></b>
<b>Actual return on plan assets:</b>	<b>527,264</b>	<b>131,217</b>
<b>Main actuarial assumptions at end of year:</b>		
Discount rate	10.00%	10.50%
Expected rate of return on plan assets	10.00%	10.50%
Future salary increases	7.00%	7.50%
Future pension increases	5.00%	5.50%

The assets of the plan are invested in funds managed by State Insurance Company of Mauritius Ltd.  
The discount rate is determined by reference to market yields on bonds.

## Notes for the year ended 31 December 2012

### 16. RETIREMENT BENEFIT OBLIGATION (continued)

	Year ending 31 December 2012	Year ending 31 December 2011
	Rs	Rs
<b>Reconciliation of the present value of defined benefits obligation</b>		
Present value of obligation at start of period	6,131,740	5,311,144
Current service cost	635,573	600,776
Interest cost	613,174	557,670
(Benefits paid)	(39,328)	(42,294)
Liability (gain)/loss	(273,326)	(295,556)
Present value of obligation at end of period	<u>7,067,833</u>	<u>6,131,740</u>
<b>Reconciliation of fair value of plan assets</b>		
Fair value of plan assets at start of period	5,908,759	4,784,280
Expected return on plan assets	642,453	554,496
Employer contributions	724,098	672,439
Employee contributions	413,770	384,251
Actuarial reserves transferred in	-	-
(Benefits paid + other outgo)	(106,331)	(63,428)
Asset gain/(loss)	(202,889)	(423,279)
Fair value of plan assets at end of period	<u>7,379,860</u>	<u>5,908,759</u>
<b>Distribution of plan assets at end of period</b>		
<i>Percentage of assets at end of year</i>	<b>31 December 2012</b>	<b>31 December 2011</b>
	(%)	(%)
Government securities and cash	58.80%	50.6%
Loans	6.60%	7.8%
Local equities	21.00%	23.2%
Overseas bonds and equities	12.80%	17.5%
Property	0.80%	0.90%
<b>Total</b>	<b><u>100%</u></b>	<b><u>100%</u></b>

# Notes for the year ended 31 December 2012

## 16. RETIREMENT BENEFIT OBLIGATION (continued)

### Additional disclosure on assets issued or used by the reporting entity

	2012 (%)	2011 (%)
Percentage of assets at end of year		
Assets held in the entity's own financial instruments	-	-
Property occupied by the entity	-	-
Other assets used by the entity	-	-

### History of obligations, assets and experience adjustments

Year	2012 Rs	2011 Rs
Fair value of plan assets	7,379,860	5,908,759
(Present value of defined benefit obligation)	(7,067,833)	(6,131,740)
Surplus/(deficit)	312,027	(222,981)
Asset experience gain/(loss) during the period	(202,889)	(423,279)
Liability experience gain/(loss) during the period	273,326	295,556

Year	2013
Expected employer contributions	716,582







National Productivity and Competitiveness Council



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