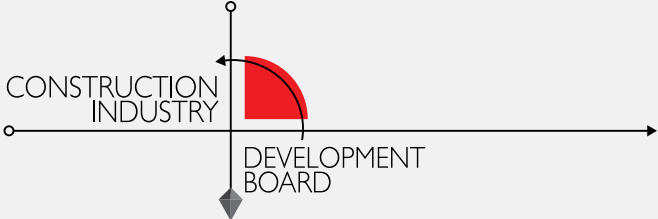




Construction Industry  
Development Board

# ANNUAL REPORT 2013

Construction Industry Development Board  
5th & 6th Floors, Mutual Aid Building II,  
5 Guy Rozemont Square, Port Louis, Mauritius





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DEVELOPMENT BOARD

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## MESSAGE FROM THE CHAIRPERSON

I am pleased to present the Annual Report of the Construction Industry Development Board for the year ended 31 December 2013 in accordance with Section 33(2) of the Construction Industry Development Board Act.

This Annual Report highlights the main activities of the Construction Industry Development Board undertaken in the fiscal year 2013. It also gives the Financial Report of the Board for that period.

I would like to thank the Hon. Minister of Public Infrastructure & Land Transport as well as the staff of the Ministry for providing the necessary support and guidance to the Construction Industry Development Board during the year 2013.

I also wish to seize this opportunity to thank all the Council Members, the Officer-in-Charge and the staff of the Construction Industry Development Board for their dedicated efforts towards meeting the objectives of the Construction Industry Development Board in the fiscal year 2013.

**GAETAN SIEW**  
Chairperson

## MESSAGE FROM THE OFFICER-IN-CHARGE

I have the pleasure to present the Annual Report of the Construction Industry Development Board for the Financial Year 2013.

The construction industry though not a main pillar of the economy is considered to be of no less importance and a mainstay that significantly supports the economic development of Mauritius.

The construction industry on its own has, over the last ten years, contributed around 6.5% of the GDP. However, since the past two years the contribution to the GDP has not been significant because of the negative growth in the industry.

The year 2013 has been a particularly challenging one for the construction industry. In spite of the poor performance of the construction industry in 2013, it should be admitted that the industry has been able to face the challenges reasonably well.

However, within this difficult context for the construction industry, the CIDB has been able to deliver value added within its mandate more so with the limited resources put at its disposal.

One of the major achievements of CIDB in 2013 was the launching of the CIDB Conditions of Contract for Minor Works. This Standard Form of Contract is a simple and user-friendly document which was produced in connection with the initiative to develop a suite of Standard Form of Contract for use in Mauritius.

The year 2013 has been a satisfactory year for the Board. The year 2014 appears to be more promising in view of the measures announced in the Budget Speech.

I seize this opportunity to thank the Hon. Minister of Public Infrastructure and Land Transport and the staff of the Ministry for their support to the CIDB during the year 2013.

Last but not least I express my heartfelt thanks to the Chairperson, the Council Members and all the staff of CIDB for their continuous support and collaboration to help CIDB meet its objectives for the year 2013.

**TRILOCK BHUNJUN**  
Officer-in-Charge

## ABOUT THE CIDB

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The Construction Industry Development Board commonly known as CIDB is a statutory body established under the CIDB Act of 2008. The overriding objective of the CIDB is to promote the development and improvement of the construction industry.

CIDB operates under the aegis of the Ministry of Public Infrastructure, National Development Unit, Land Transport and Shipping. It is governed by a Council comprising 12 members including a Chairperson.

CIDB aims at providing leadership and guidance towards the development of a competitive and world class construction industry.

CIDB is provided with a comprehensive set of objects and functions which empowers it to ensure the proper development of the construction industry.

### ***Vision– Our future aims***

CIDB as the apex body leading the construction industry towards a marked contribution to economic growth and sustainable development in line with best international practice.

### ***Mission–Our organizational purpose***

Formulate and implement coordinated strategy embarking all stakeholders in the enhancement of the construction industry to make it more accessible, innovative, transparent, sustainable, competitive and safe.

## ABOUT THE CIDB

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### **Objects of the Board**

1. Promote the development and improvement of the construction industry;
2. Promote sustainable growth of the construction industry;
3. Promote and encourage the participation of the small and medium enterprises in the construction industry;
4. Promote and assist in the export of services relating to the construction industry;
5. Promote and stimulate quality assurance in the construction industry;
6. Promote the awareness of the need for a safe and healthy work environment in the construction industry;
7. Promote and establish best practice in the construction industry;
8. promote research and development relating to the construction industry; and
9. Facilitate communication between stakeholders of the construction industry.

### **Functions of the Board**

1. Implement government policy relating to the construction industry;
2. Regulate and register providers of construction works and construction services;
3. Exercise regulatory functions in respect of the construction industry, including the registration of consultants and contractors;
4. Provide advisory services to the construction industry and to the public in general;
5. Publish an annual list of registered consultants and contractors;
6. Advise and make recommendations to the Minister on matters relating to the construction industry;
7. Encourage the standardization and improvement of construction materials and techniques;
8. Develop standard forms of construction agreements and contracts;
9. Develop and maintain a construction industry information system;
10. Develop and promote training programmes for operators of the construction industry;
11. Advise relevant authorities on human resources development of the construction industry;
12. Conduct surveys on the construction industry;
13. Entertain complaints in connection with construction works and construction services and where necessary refer them to appropriate authorities;
14. Publish periodically indicative schedules of rates for construction works; and
15. Perform such other functions as may be necessary to further its objects.

## CORPORATE GOVERNANCE REPORT

Section (8) of CIDB Act 2008 provides that the Board shall be administered by the Construction Industry Development Council. As such the Council is responsible and accountable for the performance of CIDB. The Council ensures that sound corporate governance principles are adopted and that the highest standards of business ethics, honesty and integrity are prevailed.

The Council is mandated to:

- Provide strategic direction and leadership to CIDB;
- Review the objectives, strategies and the functioning of the Board;
- Ensure that CIDB complies with all relevant laws, regulations, codes of best practice and guidelines laid down in the Code of Corporate Governance;
- Ensure greater levels of fairness, transparency and accountability in the decisions and actions of CIDB;
- Ensure the integrity of CIDB's accounting and financial reporting system for monitoring and managing, financial control and compliance with law and relevant accounting standards.

### Compliance and Enforcement

The Construction Industry Development Board commits itself to the highest standards of corporate governance and ensures compliance with the Code of Corporate Governance for Mauritius and the Guidance Notes for State-Owned Enterprises issued by the National Committee on Corporate Governance.

### Profile of the Council

The Council is constituted of a Chairman and eleven other members. The members of the Council are non-executive and are independent persons. The members represent a wide spectrum of the different sectors of the construction industry and therefore bring a wide range of experience and professional skills to the Council.

The Chairman and two members of the Council are appointed by the Minister, whereas the other members are designated by their respective organization.

## CORPORATE GOVERNANCE REPORT

### COUNCIL MEMBERS FOR 2013

#### Mr V. Lutchmeeparsad

Chairperson  
Permanent Secretary  
**Ministry of Public Infrastructure  
and Land Transport**

#### Mr V. Putchay

Principal Assistant Secretary  
**Representative of Ministry of Public  
Infrastructure and Land Transport**

#### Mr I. Nagaissar

Director Employment Service  
**Representative of Ministry of Labour, Industrial  
Relations and Employment**

#### Mrs T. Codadeen

Assistant Permanent Secretary  
**Representative of Ministry of Education and  
Human Resources**

#### Mrs L. Chummun-Bhujohory

Assistant Technical Manager  
**Representative of Mauritius Standards Bureau**

#### Mr J. Desai

Director  
Desai & Associates Ltd  
**Representative of Institution of Engineers  
Mauritius**

#### Mr D. Bunjun

Director  
Bunjun Associates Ltd  
**Representative of Mauritius Association of  
Architects**

#### Mr G. Saddul

Director  
Property & Assets Valuation Ltd  
**Representative of Mauritius Institute of  
Surveyors**

#### Mr S. Ragoo

Director  
Ragoo Associates Ltd  
**Representative of Mauritius Association of  
Quantity Surveyors**

#### Mr G. Uckoor

President of Association of Small Contractor  
**Representative of SME Contractors**

#### Mr B. Ramloll

Director  
Ramloll Bhooshan Renovation  
& Building Contractor  
**Representative of Contractors' Association**

## CORPORATE GOVERNANCE REPORT

### COUNCIL AND COMMITTEE MEETINGS

Council Meetings as per the provision of the CIDB Act are scheduled monthly in advance. Special Council Meetings are also convened to address urgent and specific issues whenever necessary. Committees have been set up to enable the Board to give closer attention to important issues facing the organization.

### REMUNERATION DRAWN BY CHAIRPERSON, COUNCIL MEMBERS AND COMMITTEE MEMBERS

The Chairperson is paid a fixed monthly fee as per the recommendation of the Pay Research Bureau.

Council and Committee Members on the other hand are paid an attendance fee for meetings attended together with a commuted travelling allowance per sitting in accordance with Pay Research Bureau recommendations

## CORPORATE GOVERNANCE REPORT

For the year ended 31 December 2013, the number of times the Council and the Committees met and the total fees paid to the Chairperson and other members (both previous & current) are as follows:

Members	Council					Total Fees (Rs)
	Meeting	RCCC	GFCHC	HRC	BEC	
	12	3	2	9	3	
Mr V. Luchmeepersad	12/12					342,000
Mr V. A. Putchay	10/12			4/9		21,080
Mr I. Nagaisar	12/12					12,840
Mrs L. Chummun Bhujohory	10/12			9/9		21,395
Mr J. Desai	10/12	3/3			1/3	16,140
Mr D. D Bunjun	7/12	1/3		4/9	2/3	19,245
Mr S. Ragoo	12/12	3/3				15,825
Mr G. Uckoor	11/12				1/3	14,755
Mr B. Ramloll	7/12	1/3				9,480
Mrs. B. T. Codadeen	6/12					6,420
Mr. V. Chintaram			2/2			2,720
Mr. M. Ramburn				1/9		1,770
Mrs. G, Ramnauth				3/9		2,325
Mr R. Phul			2/2			1,990
Mr H. V. Jadav			1/2			995
Mrs. W. Koussa			1/2			995
Mr. Tony Lee			1/2			995
Mr. V, Conhye					2/3	1,550
Mr. K. B Kotowaroo					2/3	1,550

**RCCC** Registration of C & C Committee

**HRC** Human Resource Committee

**GFCHC** Guide for Construction of House Committee

**BEC** Bid Evaluation Committee



## CORPORATE GOVERNANCE REPORT

### Senior Management

Mr. Trilock BHUNJUN (Officer in Charge) is a Fellow of the Association of Chartered Certified Accountants and also holds an MBA. He holds the post of Manager, Corporate Services on the permanent establishment of the Board.

### Donation

No donation has been made or received during the year 2013.

### Conflict of Interest

Section (14) of the CIDB Act stipulates that "a member of the Council, the Executive Director or any employee who has a direct or indirect interest in any matter to be brought before the Council shall –

- (i) immediately inform the Council; and
- (ii) not participate in the deliberations or any part of the decision making process in relation to that matter."

There has been no report of any conflict of interest during the year 2013.

### External Audit

The External Auditors for the auditing of the Consolidated Annual Report for the year ended 31 December 2013 of the Board is the National Audit Office. It is responsible for reporting as to whether the financial statements are fairly presented.

### Statement of Council's Responsibilities

It is the responsibility of the Council to ensure that the Financial Statements are prepared in accordance with the relevant accounting policies and standards. It is also its responsibility to ensure that there is an adequate Internal Control System to ascertain that control objectives are met.

At this stage, the Council has not deemed it necessary to appoint an Internal Controller. However, the Council nevertheless acknowledges its responsibility for internal control and in this respect ensures that:-

- (a) Management has relevant experience and skills for the proper running of the organization;
- (b) Proper segregation of duties are in place;
- (c) The Officer-in-Charge undertakes adequate supervision on the duties of all the staff;
- (d) Cheques are signed by two signatories, viz., the Chairman and the Officer-in-Charge;
- (e) The Officer-in-Charge has a limit for expenditure and has to submit Quarterly Returns of such expenditure to Council.
- (f) Funds required are released on a monthly basis by the parent Ministry upon full justification of the required amount.

## CORPORATE GOVERNANCE REPORT

The Council has overall responsibility for the Board's system of risk management and for reviewing its effectiveness. The Council views management of risk as integral to good business practice with a view to support management's decision-making, improves the reliability of business performance, and assist in the preparation of the Board's Annual Accounts. The Board delegates the responsibility for designing, operating and monitoring the system of risk management to executive management.

The Council reports that the Financial Statements fairly represent the affairs of the operation and cash flows for the period. Council further ensures that the Financial Statements have been prepared in accordance with the Financial Reporting Framework and Standards issued by the Financial Reporting Council and in compliance with the Statutory Bodies (Accounts and Audit) Act.

In the absence of its own Accounting Manual, the Board complies with the requirements of the Financial Management Manual. The controls maintain at the Board ensures that the provisions of the Construction Industry Development Board Act and other financial procedures are adhered to.

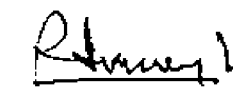
The Council also acknowledges the responsibility for the proper safeguarding of the assets of CIDB, maintaining of adequate accounting records and it commits itself for the prevention and detection of fraud and any irregularities.

The Council further reports that the principles of good corporate governance have been adopted to the extent possible.

**Since we have no personal knowledge of the contents of this annual report, we are not in a position to approve it. However, we hereby give a qualified approval of same on the basis of our knowledge derived solely from the relevant records. Such approval is being given solely for the purpose of allowing the auditor to audit the financial statements under the Statutory Bodies (Accounts and Audit) Act.**



**G. SIEW**  
Chairperson



**R. SERVANSINGH**  
Member

## STRATEGIC PLANNING REPORT

The Construction Industry Development Board has been set up as an apex body to lead the development and improvement of the Construction Industry. It is provided with a set of objects and functions for that purpose. The CIDB is also empowered to make enabling regulations to consolidate the provisions in the CIDB Act.

The Vision of the CIDB is to be an apex body leading the construction industry towards a marked contribution to economic growth and sustainable development in line with best international practice.

The Mission Statement of CIDB is to formulate and implement coordinated strategy embarking all stakeholders in the enhancement of the construction industry to make it more accessible, innovative, transparent, sustainable, competitive and safe.

Until Dec 2013, CIDB could not become fully operational as most of the key positions at senior management level could not be filled. Consequently, in the absence of a full-fledged management team, CIDB could not function at full swing in order to attain all its objectives set in its previous 3 Years Strategic Plan for the past years. Hence, for the year 2013, CIDB continued with its strategies based on the previous year Strategic Plan.

The salient activities undertaken in 2013 were as follows:

### 1. Regulations for Registration of Consultants and Contractors

CIDB has for quite some time been working on the enabling regulations for the registration of Consultants and Contractors. However, in view of its highly complex and technical nature, this process has been taking much longer than expected. In fact, the delay was compounded due to the extensive consultations being undertaken with the relevant stakeholders.

It was expected that the Regulations would most probably be finalized and become in force by early 2014.

### 2. Development of a Sector Strategy Paper

The Strategy Paper for the Construction Industry developed in the third quarter of 2012 was submitted for government endorsement in 2013.

Government gave its approval to the Strategy Paper and decided to set up a High Level Committee for the steering and monitoring of the implementation of the recommendations contained in the Report.

## STRATEGIC PLANNING REPORT

The High Level Committee was subsequently set up. The Committee then decided to set up six Subcommittees to consider the recommendations on a sectorial basis within the construction industry and to develop an Action Plan accordingly. The Report of each Subcommittee would then be integrated into a main Report for the implementation of the recommendations of the Strategy Paper to help transform the Construction Industry and bring it to another level of development. The Reports of the Subcommittees were expected by early 2014.

### 3. Alternative Dispute Resolution

In 2012, CIDB signed a Memorandum of Understanding with the Chartered Institute of Arbitrators (CI Arb) Mauritius Branch. The aim was to promote Alternative Dispute Resolution in the construction sector. In fact, CIDB was willing to tap in the global experience and expertise of CI Arb to develop a mechanism to facilitate the resolution of construction disputes in Mauritius.

In this respect, CIDB in collaboration with CI Arb (Mauritius Branch) and the Society of Construction Law held a forum to discuss on the way forward for Alternative Dispute Resolution in the Construction Industry. Following the discussions and brainstorming held at the forum the CI Arb (Mauritius) Branch has undertaken to produce a Report with clear strategies on the way forward for Alternative Dispute Resolution in Mauritius.

### 4. Exporting Construction Services to Africa

One of the functions of CIDB is to promote and assist in the export of services related to the Construction Industry. In this respect, CIDB initiated a sensitisation campaign among the consultants and contractors to explain about existing opportunities in Africa.

Consultants and contractors have also been called upon to take advantage of the preferential agreements that Mauritius has established with most of the African countries through SADC, COMESA and other bilateral agreements.

CIDB is working in close collaboration with Enterprise Mauritius in this endeavour. A half-day workshop was held in June 2013 to expose the existing opportunities. CIDB and Enterprise Mauritius is working on a strategy to help stimulate the export of construction services to Africa.



## STRATEGIC PLANNING REPORT

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### 5. Development of a Standard Suite of Conditions of Contract

CIDB is mandated inter alia to develop standard forms of construction agreements and contracts.

In Mauritius the practice has always been to adapt foreign contract documents for construction works which have been developed in other jurisdictions. These forms of contracts are adopted and adapted on a case to case basis. Very often foreign Standard Forms of Contract are seriously distorted in attempting to adjust it to the local context. Moreover, every user of these foreign Standard Forms of Contract adapts it to suit their conveniences ignoring the basic fundamentals of these contracts.

In this respect, CIDB has initiated the development of a suite of Standard Forms of Contract. We started with the development of a Standard Form of Contract for Minor Works because it was noticed that many contracts for such works were being subject to disputes.

A Committee comprising representatives of the relevant stakeholders drafted the Standard Form of Contract for Minor Works. Consultations were subsequently made to obtain the views and comments of the stakeholders in the industry. Finally, the Standard Form of Contract for Minor Works was launched as a Test Edition in October 2013.

CIDB would now embark on the development of a Standard Form of Contract for Big Projects.

### 6. A Guide for Estimating and Bidding

One of the main challenges of SME Contractors is their inability to prepare their bids. In fact they often fail in bidding not because of their quoted price but because of non-compliance with other requirements in bidding documents.

After several workshops and brainstorming exercises held with SME Contractors, it was agreed that a Guide providing basic facts about estimating and bidding would be very helpful to them.

CIDB initiated the development of a Guide for Estimating and Bidding. The assistance of the Mauritius Association of Quantity Surveyors was sought. A draft Guide has been prepared. Consultation would be held with the relevant stakeholders for their views and comments before its publication and launching.

## STRATEGIC PLANNING REPORT

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### 7. Focus for 2014

2014 would be a crucial year for the CIDB. The main focus would be on two strategic matters viz. the registration of consultants and contractors and the implementation of the recommendations of the Strategy Paper for the Construction Industry. However, it is also envisaged to work on the second edition of the National Schedules of Rates.

In order to achieve the main objectives in 2014 it would be necessary to fill in all the vacancies. On the other hand the registration of consultants and contractors is expected to generate enough revenue to allow CIDB to become financially independent. The year 2014 is therefore expected to bring more hope for CIDB and it is expected to position itself as the apex body for the construction industry.



# **REPORT OF THE DIRECTOR OF AUDIT**

TO THE BOARD  
OF THE CONSTRUCTION  
INDUSTRY  
DEVELOPMENT BOARD

## REPORT OF THE DIRECTOR OF AUDIT

TO THE BOARD OF THE CONSTRUCTION INDUSTRY  
DEVELOPMENT BOARD

### Report on the Financial Statements

I have audited the accompanying financial statements of Construction Industry Development Board, which comprise the statement of financial position as of 31 December 2013, the statement of financial performance, statement of changes in general fund and the cash flow statement 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 Financial Reporting and Accounting Standards issued under Section 72 of the Financial Reporting Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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 opinion.

### Opinion

In my opinion, the financial statements give a true and fair view of the financial position of the Construction Industry Development Board as at 31 December 2013, and of its financial performance and its cash flow for the year then ended in accordance with Financial Reporting and 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.

## REPORT OF THE DIRECTOR OF AUDIT

TO THE BOARD OF THE CONSTRUCTION INDUSTRY  
DEVELOPMENT BOARD

### 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 qualified opinion.

### Statutory Bodies (Accounts and Audit) Act

#### Late submission of financial statements

The Statutory Bodies (Accounts and Audit) Act requires that the Annual Report be submitted to the Board within three months after the end of every financial year and that after being approved has to be forwarded to the Director of Audit not later than 30 April after the end of the financial year

The statutory deadline for the submission of the accounts was not complied with. The financial statements for the financial year 2013 were submitted to the National Audit Office on 2 September 2015. Amendments were made to the Financial Statements due to material misstatements identified during the audit exercise and an amended set of Financial Statements was submitted on 22 August 2016.

In my opinion, except for the non-submission of financial statements within the statutory date limit, in all material respects, the Construction Industry Development Board has complied with the Statutory Bodies (Accounts and Audit) Act.  
Public Procurement Act

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

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

### K. C. TSE YUET CHEONG (MRS)

Director of Audit

National Audit Office  
Level 14  
Air Mauritius Centre  
PORT LOUIS

22 September 2016



# **FINANCIAL STATEMENTS**



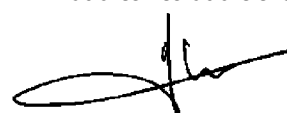
## FINANCIAL STATEMENTS

Statement of Financial Position as at 31 December 2013

	Notes	Year 2013 Rs	Year 2012 Rs (Restated)
<b>ASSETS</b>			
Non-Current Assets			
Property, Plant and Equipment	3	1,173,842	1,266,501
Car Loan Receivable	4	466,667	626,667
Retirement Pension Assets	2.11	497,236	394,884
		<b>2,137,745</b>	<b>2,288,052</b>
Current Assets			
Prepayments & Receivables	5	653,306	730,547
Car Loan Receivable	4	160,000	160,000
Cash and Cash Equivalents	6	120,797	100,455
		<b>934,103</b>	<b>991,002</b>
		<b>3,071,848</b>	<b>3,279,054</b>
<b>TOTAL ASSETS</b>			
<b>FINANCED BY</b>			
General Fund			
	7	<b>1,450,444</b>	<b>1,570,204</b>
Non-Current Liabilities			
Long Term Employee Benefits Obligations	8	597,631	492,689
Car Loan Payable	9	466,667	626,667
		<b>1,064,298</b>	<b>1,119,356</b>
Current Liabilities			
Accruals & Payables	10	305,277	290,727
Short Term Employee Benefits Obligations	11	91,829	138,767
Car Loan Payable	9	160,000	160,000
		<b>557,106</b>	<b>589,494</b>
		<b>3,071,848</b>	<b>3,279,054</b>

The Notes to the Accounts on pages 26 to 37 form part of the Financial Statements.

Since we have no personal knowledge of the contents of this annual report, we are not in a position to approve it. However, we hereby give a qualified approval of same on the basis of our knowledge derived solely from the relevant records. Such approval is being given solely for the purpose of allowing the auditor to audit the financial statements under the Statutory Bodies (Accounts and Audit) Act.



**G. SIEW**  
Chairperson



**R. SERVANSINGH**  
Member

Approved by the Council on 09 August 2016

## FINANCIAL STATEMENTS

Statement of Financial Performance for the year ended 31 December 2013

	Notes	Year 2013 Rs	Year 2012 Rs (Restated)
<b>REVENUE</b>			
Government Grant			
Recurrent Grant		6,538,615	6,063,820
Capital Grant		195,155	436,180
Workshop Fees		62,000	266,000
Sale of NSOR		74,500	199,000
Interest on Savings		104	-
		<b>6,870,374</b>	<b>6,965,000</b>
<b>EXPENSES</b>			
Depreciation			
	3	287,814	270,183
Employee Salaries and Benefits			
	12	3,131,601	3,177,015
Other Expenses			
	13	3,532,435	3,301,675
Finance Costs			
	14	4,000	3,310
		<b>6,955,850</b>	<b>6,752,183</b>
Total Expenses			
		<b>(85,476)</b>	<b>212,817</b>
Other Comprehensive Income			
Liability/Assets Loss		(34,284)	(61,971)
		<b>(119,760)</b>	<b>150,846</b>
Net Surplus (Deficit) for the year			

## FINANCIAL STATEMENTS

Statement of Cash Flow for the year ended 31 December 2013

	Year 2013 Rs	Year 2012 Rs (Restated)
<b>Cash Flow from Operating Activities</b>		
Operating Surplus (Deficit) for the year	(85,476)	212,817
<b>Adjustments for non-cash movements</b>		
Depreciation of Property, Plant and Equipment	287,814	270,183
Remeasurement Loss	(34,284)	(61,971)
Unrecognised Actuarial Loss	-	(9,463)
<b>Operation Surplus before Working Capital changes</b>	<b>168,054</b>	<b>411,566</b>
Decrease (Increase) in Prepayment and Receivables	77,241	(300,164)
Decrease (Increase) in Car Loan Receivable	160,000	(786,667)
Increase in Retirement Pension Assets	(102,352)	(154,358)
Increase in Accrual & Payables	14,550	56,066
Increase (decrease) in Car Loan Payable	(160,000)	786,667
Increase in Employee Benefit Payable	58,004	178,140
<b>Net Cash Flow from Operating Activities</b>	<b>215,497</b>	<b>191,250</b>
<b>Cash Flow from Investing Activities</b>		
Acquisition of Fixed Assets	(195,155)	(436,180)
<b>Net Cash Flow from Investing Activities</b>	<b>(195,155)</b>	<b>(436,180)</b>
Net increase (decrease) in Cash and Cash Equivalents	20,342	(244,930)
Cash and Cash Equivalents at Beginning of the year	100,455	345,385
Cash and Cash Equivalents at end of year	120,797	100,455

## FINANCIAL STATEMENTS

Statement of Changes to General Fund for the year ended 31 December 2013

### CIDB FUND

	Rs
<b>Balance at 01 January 2011</b>	840,160
Net Surplus for the period ended 31 December 2011	588,661
<b>Balance at 31 December 2011</b>	<b>1,428,821</b>
OCI - Unrecognised Actuarial Loss	(9,463)
Net Surplus for the period ended 31 December 2012 (Restated)	150,846
<b>Balance at 31 December 2012</b>	<b>1,570,204</b>
Net Surplus for the period ended 31 December 2013	(119,760)
<b>Balance at 31 December 2013</b>	<b>1,450,444</b>



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

## 1. General Information

The Construction Industry Development Board is a statutory body established under the CIDB Act 2008. The overriding objective of the Board is to promote the development and the improvement of the construction industry. In order to attain this objective, the CIDB is provided with a comprehensive set of objects and functions as per Sections 5 & 6 of the CIDB Act. The CIDB is both a regulatory body and a facilitator to the construction industry. It operates under the aegis of the Ministry of Public Infrastructure and Land Transport. It is administered by a Council comprising a Chairperson and eleven members. The Council fairly represent the wide cross section of the construction industry.

The office of the CIDB is located on the 5th & 6th Floors, Mutual Aid Building II, 5 Guy Rozemont Square, Port Louis

## 2. Accounting Policies

The principal accounting policies of the CIDB are:-

### 2.1 Basis of Preparation

The financial statements have been prepared in accordance with the Financial Reporting Framework and Standards issued by the Financial Reporting Council and in compliance with the Statutory Bodies (Accounts and Audit) Act.

The Financial Statements have been prepared on a going concern basis and on the accrual basis of accounting. The measurement base applied is historical cost. The level of rounding used in presenting the amounts in the financial statement is to the nearest rupee.

### 2.2 Accounting period

The Financial Statements for the current period have been prepared for the 12 months ended 31 December 2013 with comparative information for the 12 months ended 31 December 2012.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

## 2.3 Property, Plant and Equipment

Items of property, plant and equipment are measured at cost or valuation less accumulated depreciation and any impairment losses.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using straight line method. Additions during the year bear a full year depreciation charge whereas no depreciation is charged in the year of disposal. The following annual rates are used for the depreciation of property, plant and equipment:

Office Equipment	- Electronic Equipment	20%
	- Furniture & Fittings	10%
	- Safe	5%
IT Equipment		20%
Motor Vehicle		10%

Individual asset of value less than Rs 2,000 each is not capitalised. Such assets are reported in the Inventory Sheet in the office where they are located and used.

## 2.4 Revenue Recognition

Government grants are recognised on cash basis as income and are matched against the operational expenses of the Board. Government grants and other income is recognised in the Statement of Financial Performance in the year to which it relates. Grants are released on a monthly basis as per requirements of the Board to meet its monthly expenses.

## 2.5 Provisions

A provision is recognised when there is a present legal or constructive obligations as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each Financial Position date and adjusted to reflect the current best estimate.

## 2.6 Impairment of assets

At each reporting date, Property, Plant and Equipment are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in Statement of Financial Performance.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

### 2.7 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and cash in hand

### 2.8 Car Loans

Car loans are disbursed to the CIDB by the Ministry of Public Infrastructure and Land Transport on applications by eligible employees as part of their conditions of service. The loans are executed by way of a registered agreement between the CIDB and the employees. The car loans which bear an interest of 7.5 % per annum are repayable monthly over a period of five to seven years. The balances of principal amounts are shown as short-term and long-term loans. Corresponding carrying amounts are shown under receivables.

### 2.9 Accounts Receivable and Prepayments

Receivables and prepayments are stated at their nominal value.

### 2.10 Accounts Payables and Accrued Expenses

Payables and accruals are stated at cost except for the retirement benefit obligations figure which is stated as per the actuarial report.

### 2.11 Employees Entitlements

Employees entitlements to salaries, pension costs, and other benefits are recognised when they are earned.

#### **Sick Leave Bank**

Employees are allowed to accumulated Sick Leave not taken at the end of each calendar year up to a maximum of 110 days, in a Sick Leave Bank as at 31 December 2013. The balance of banked sick leave is valued at the end of the financial year and is recognised as long term payables. Beyond the ceiling of 110 days, officers are refunded part of the annual entitlement of sick leave not taken at the end of every calendar year and is expensed to the Statement of Financial Performance.

#### **Passage Benefits**

A provision is made for the estimated liability for passage benefits. The passage benefits for each staff is valued at year end and is included as short-term liabilities. The annual increase in passage benefits is expensed to the Statement of Financial Performance.

#### **Other Post-Employment Benefits**

No provision for accrued Vacation Leaves is made as employee benefits for accumulated Vacation leave can only be cashed in extremely rare cases.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

### State Plan

Contribution to the National Savings Fund in respect of all employees and contribution to the National Pension Scheme in respect of employees on contract or temporary basis are expensed to the Statement of Financial Performance.

### Retirement Benefit Obligation

Provision for retirement benefits for the employees of CIDB are made under the Statutory Bodies Pension Act of 1978 as amended. The Fund provides retirement benefits for its employees through a defined benefit plan called "CIDB Staff Pension Fund". The contributions vested in the Fund is managed by the State Insurance Company of Mauritius Ltd (SICOM Ltd) The cost of providing the benefit is determined in accordance with an actuarial review. The net liability at balance sheet date is determined as the present value of funded obligations after adjusting for the fair value of plan assets, any unrecognised actuarial gains and losses and any recognised transition amount. The current service cost and any recognised past service cost are included as an expense together with the interest cost, net of expected return on plan assets. The pension plan is a final salary defined benefit for staff.

The statement of actuarial valuations of plan assets and the present value of the defined benefit obligations as at 31 December 2013 was as follows:-

	Year 2013 Rs	Year 2012 Rs (Restated)
<b>Amounts recognised in Statement of Financial Position</b>		
Present value of funded obligation	579,988	374,763
(Fair value of plan assets)	(1,077,224)	(769,647)
	<b>(497,236)</b>	<b>(394,884)</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

### 2.11 Employees Entitlements (cont'd)

#### Retirement Benefit Obligation (cont'd)

	Year 2013 Rs	Year 2012 Rs
<b>Amounts recognised in Statement of Financial Performance</b>		
<b>Service Cost:</b>		
Current service cost	146,003	146,726
Past Service Cost (Employee Contributions)	(98,441)	(113,573)
Fund expenses	53,929	6,814
Net Interest expense/ (income)	(41,246)	(38,614)
<b>P&amp;L Charge</b>	<b>60,245</b>	<b>1,353</b>
<b>Remeasurement</b>		
Liability (gain)/loss	29,241	49,955
Assets (gain)/loss	5,043	12,016
Total Other Comprehensive Income (OCI) recognised	34,284	61,971
<b>Total</b>	<b>94,529</b>	<b>63,324</b>

#### Movements in liability recognised in Statement of Financial Position:

At start of year	(394,884)	(231,063)
Amount recognised in P&L (Contributions paid by employer)	60,245 (196,881)	1,353 (227,145)
Amount recognised in OCI	34,284	61,971
At end of year	(497,236)	(394,884)
<b>Actual return on plan assets:</b>	<b>90,072</b>	<b>44,948</b>

#### Main actuarial assumption at end of year

Discount rate	8.00%	10.00%
Expected rate of return on plan assets	8.00%	10.00%
Future salary increases	5.50%	7.00%
Future pension increases	3.50%	5.00%

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

### 2.11 Employees Entitlements (cont'd)

#### Retirement Benefit Obligation (cont'd)

The plan is a defined arrangement for the employees and it is funded. The assets of the funded plan are held independently and administered by The State Insurance Company of Mauritius Ltd.

	Year 2013 Rs	Year 2012 Rs
<b>Reconciliation of the present value of defined benefit obligation</b>		
Present value of obligation at start of period	374,763	183,491
Current service cost	146,003	146,726
Interest cost	29,981	18,349
Benefits paid	-	(23,758)
Liability (gain)/loss	29,241	49,955
Present value of obligation at end of period	<b>579,988</b>	<b>374,763</b>

#### Reconciliation of fair value of plan assets

Fair value of plan assets at start of period	769,647	414,554
Expected return on plan assets	71,227	56,963
Employer contributions	196,881	227,145
Employee contributions	98,441	113,573
Benefits paid+ other outgo	(53,929)	(30,572)
Asset gain/(loss)	(5,043)	(12,016)
Fair value of plan assets at end of period	<b>1,077,224</b>	<b>769,647</b>

#### Distribution of plan assets at end of period

Percentage of assets at end of year	2013	2012
Government securities and cash	59.1%	58.8%
Loans	4.9%	6.6%
Local equities	21.9%	21.0%
Overseas bonds and equities	13.4%	12.8%
Property	0.7%	0.8%
Total	100.0%	100.0%

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

### 2.11 Employees Entitlements (cont'd)

#### Retirement Benefit Obligation (cont'd)

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

	Year 2013	Year 2012
	(%)	(%)
Percentage of assets at end of year		
Assets held in the entity's own financial instruments	0	0
Property occupied by the entity	0	0
Other assets used by the entity	0	0

##### Components of the amount recognised in OCI

Year	2013	2012
Currency	Rs	Rs
Asset experience gain/(loss) during the period	(5,043)	(12,016)
Liability experience gain/(loss) during the period	(29,241)	(49,955)
Surplus/(deficit)	(34,284)	(61,971)

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 providing the benefits is determined using the Projected Unit Method.

	Year 2013	Year 2012
Discount Rate	8.00%	10.00%
Expected rate of return on plan assets	8.00%	10.00%
Future salary increases	5.50%	7.00%
Future pension increases	3.50%	5.00%

Mortality before retirement	A 6770 Ultimate Tables
Mortality in retirement	PA (90) Tables
Retirement age	As per Second Schedule of the Statutory Bodies Pension Funds Act

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

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

### 3. Property, Plant and Equipment

Particulars	Office Equipment Rs	IT Equipment Rs	Motor Vehicle Rs	Total Rs
Cost - 1 January 2013	1,070,724	438,429	1,032,900	2,542,053
Additions during the year	195,155	-	-	195,155
Cost - 31 December 2013	1,265,879	438,429	1,032,900	2,737,208
Aggregate depreciation - 1 January 2013	516,750	354,250	404,552	1,275,552
Depreciation for the year	131,881	52,643	103,290	287,814
Aggregate depreciation - 31 December 2013	648,631	406,893	507,842	1,563,366
Net book value - 01 January 2013	553,974	84,179	628,348	1,266,501
Net book value - 31 December 2013	617,248	31,536	525,058	1,173,842

### 4. Car Loan Receivable

	Year 2013	Year 2012
	Rs	Rs
Total Car Loan Receivable	626,667	786,667
Receivable Within 1 Year	160,000	160,000
Receivable After 1 Year	466,667	626,667

### 5. Prepayments & Receivables

Allowances & Overtime	47,887	-
Uniforms Allowance	-	3,980
Rent	170,250	170,250
Motor Vehicle Running Expenses	31,420	33,902
Office Expenses, General Stores and Stationeries	403,749	516,406
Insurance	-	6,009
	<b>653,306</b>	<b>730,547</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

### 6. Cash and Cash Equivalents

	Year 2013 Rs	Year 2012 Rs
Cash in hand	2,145	2,419
Cash at Bank - Current A/c	102,548	98,036
Cash at Bank - Savings	16,104	-
	<b>120,797</b>	<b>100,455</b>

### 7. General Fund

Opening Balance	1,570,204	1,428,821
OCI - Unrecognised Actuarial Loss	-	(9,463)
Surplus (Deficit) for the year	(119,760)	150,846
Closing Balance	<b>1,450,444</b>	<b>1,570,204</b>

### 8. Long Term Employee Benefits Obligations

	Year 2013 Rs	Year 2012 Rs
<i>Sick Leave Bank Account</i>		
Opening Balance	481,781	385,143
Increase in provision	89,366	96,638
Closing Balance	<b>571,147</b>	<b>481,781</b>
<i>Passage Benefits Obligation</i>		
Amount payable in more than one year (Note 11)	<b>26,484</b>	<b>10,908</b>

### 9. Car Loan Payable

Total Car Loan Payable	626,667	786,667
Payable Within 1 Year	160,000	160,000
Payable After 1 Year	<b>466,667</b>	<b>626,667</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

### 10. Accruals & Payables

	Year 2013 Rs	Year 2012 Rs
Salaries	-	1,417
Travelling & Mileage	10,815	12,140
Allowance & Overtime	1,457	-
End of Year Bonus	-	1,250
Gratuity	-	23,673
Annual Leave	-	11,298
Council and Committee Fees	4,185	6,975
Professional Fees	260,000	200,525
Electricity	21,971	21,854
Telephone	2,374	7,243
Motor Vehicle	2,575	2,427
Office Expenses, General Stores and Stationery	-	125
Cleaning Expenses	1,900	1,800
	<b>305,277</b>	<b>290,727</b>

### 11. Short Term Employee Benefits Obligations

#### Passage Benefits Obligation

Opening Balance	100,908	50,322
Entitlement for the year	49,025	50,586
	149,933	100,908
Disbursement during the year	98,449	-
	<b>51,484</b>	<b>100,908</b>

Amount payable in less than one year

25,000 90,000

#### Sick Leave Payment

Refund of Sick Leave not taken beyond the ceiling of 110 days

66,829 48,767

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

### 12. Employee Salaries and Benefits

	Year 2013 Rs	Year 2012 Rs
Salaries	2,033,633	2,123,097
Compensation 2009	-	9,600
Compensation 2010	-	33,540
Compensation 2011	-	11,040
Compensation 2012	-	27,600
Travelling & Mileage Allowance	298,033	408,867
Allowances & overtime	168,414	24,073
End of Year Bonus	151,508	184,865
Sick Leave Payment	122,926	48,767
Sick Leave Bank Balance	89,366	96,638
Passage Benefits	49,025	50,586
Uniforms and Protective Equipment	3,980	3,125
Staff Pension Scheme	60,245	1,353
Family Protection Scheme	32,814	37,795
NSF Contribution	35,789	25,380
NPF Contribution	41,324	13,632
Annual Leave	14,391	24,895
Gratuity	30,152	52,160
	<b>3,131,601</b>	<b>3,177,015</b>

### 13. Other Expenses

Council's Fees	487,075	503,590
Professional Fees	191,475	138,245
Rent	2,043,000	1,141,500
Electricity	198,805	161,907
Water	-	3,192
Telephone	49,373	67,989
Motor Vehicle Running Expenses	67,706	87,037
Office Expenses, General Stores and Stationeries	289,193	294,178
Workshop, Conference & Mission	126,882	211,478
Press Notices, Printing and Publications	12,596	421,093
Repairs and Maintenance	37,821	25,035
Cleaning Expenses	22,500	5,900
Security Services	-	238,633
Insurance	6,009	1,898
	<b>3,532,435</b>	<b>3,301,675</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

### 14. Finance Costs

	Year 2013 Rs	Year 2012 Rs
Bank Charges	4,000	3,310
	<b>4,000</b>	<b>3,310</b>

### 15. Subsequent Event Review

There are no events subsequent to the period end which require disclosure.

### 16. Related Party Transactions

There was no significant transactions during the year between the CIDB and its related parties.

### 17. Top Management

The top management of the CIDB comprises only of the Manager, Corporate Services who is also acting as Officer in Charge of the Board. The remuneration of the top management was Rs 1,035,841 for the period ended 31 December 2013.

### 18. Reporting Currency

The financial statements are presented in Mauritian Rupees



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