

RIGHTS MANAGEMENT SOCIETY
MAURITIUS SOCIETY OF AUTHORS

ANNUAL REPORT
FINANCIAL YEAR 2017-2018

REGISTERED OFFICE

Avenue des Artistes
Beau Bassin

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CORPORATE PROFILE

THE SOCIETY

The Mauritius Society of Authors (MASA) was established under the Copyright Act 1986. It was, subsequently, replaced by the Rights Management Society in the Copyright Act 2014. The appellation was further amended and reverted to MASA in the Copyright (Amendment) Act 2017.

Mission

- (i) "To efficiently and effectively exercise and enforce the collection and distribution of royalties for the benefit of its members."
- (ii) "To play a leading role in the African region and in the unification of African cultural actors especially with the challenges brought by a more high-tech era."

Vision

"To make arts and culture the vector boosting cultural diversity, through better promotion and protection of artists' interests, as an impetus of economic development."

Objectives

- (i) "To professionally administer with excellence the Copyrights and Neighbouring rights of Rights Owners."
- (ii) "To represent, defend and maximise the interest of all creators of Artistic, Literary and scientific works so that they are duly remunerated."
- (iii) "To enable its members / creators to contribute in a sustainable cultural industry in Mauritius."

Values

- (i) "To promote a culture of quality, transparency, integrity and honesty within the Copyright and Neighbouring right area."
- (ii) "To inculcate a passion for excellence in all it does."

OBJECTS AND FUNCTIONS OF THE SOCIETY

According to Section 45 of the Act, the Society shall —

- (a) collect copyright fees and charges from the users of a work, on behalf of its members, and distribute those fees among the members;
- (b) determine the criteria for, and classes of, membership of the Society;
- (c) represent and defend the interests of its members in Mauritius and abroad;
- (d) contribute, by all appropriate means, to the promotion of national creativity in the artistic, literary and scientific fields;
- (e) administer within Mauritius such economic rights of its members as it may determine;
- (f) negotiate with any users of a work —
 - (i) the conditions of, and the fees and charges to be paid for, the authorisation to be given to do an act covered by any economic rights referred to in paragraph (e);
 - (ii) the amount of equitable remuneration where the right to such remuneration is administered by the Society;
- (g) grant any authorisation which it is permitted to give under this Act;
- (h) enter into reciprocal agreements with foreign collective management organisations for the issue of exclusive authorisation in respect of their members' works and for the collection and distribution of copyright fees deriving from those works;
- (i) endeavour to obtain the transfer of membership of Mauritian authors who are members of foreign collective management organisations and safeguard in favour of the Mauritian authors whose membership has been transferred, all the advantages which may have accrued to them before the transfer;
- (j) enter into contracts with relevant persons, for the benefit of its members, regarding the use of the works of the members;
- (k) foster such harmony and understanding between copyright owners and the users of their works as may be necessary for the protection of the economic rights of the authors;
- (l) provide its members with information or advice on all matters relating to copyright;
- (m) establish and administer a Provident Fund and a Benevolent Fund for its members and their heirs; and
- (n) discharge such other functions as may be prescribed.

GENDER STATEMENT

In devising its programmes, policies and benefits, the Society commits itself towards the integration of gender equality and equity. The Society promotes a healthy and collegial working environment for staff irrespective of gender. It ensures that all staff are equally valued, empowered and rewarded.

STAFFING

MASA is headed by an Officer-in-Charge who is responsible for the execution of the policy of the Board and the day-to-day administration of the Society. Support services were provided by twenty-five full-time employees. The conditions of service of staff are governed by the Pay Research Bureau.

The Society is staffed as follows:

Director: Under Interdiction since June 2011 –

Accountant: Vacant

Financial Officer: 1

Membership & Repertoire Officer: 1

Senior Officer (MASA): 5

Management Support Officer (MASA): 13

Receptionist/Telephonist: 1

Driver/Office Attendant: 1

Office Attendant: 3

CORPORATE GOVERNANCE

STATEMENT OF COMPLIANCE

The Society is committed to implement best practices in Corporate Governance with the ultimate objective to fully adhere to the recommendations and principles contained in the Code of Corporate Governance for Mauritius 2016.

According to the Statutory Bodies (Accounts and Audit) Act, the Society needs to include a Corporate Governance report in its Annual Report. It is a legal requirement that the Society complies with all the provisions of the Code.

The Society's Board confirms to the best of its knowledge that it has complied as far as possible with all its obligations and requirements under the Code of Corporate Governance, the Finance and Audit Act, Copyright Act, Statutory Bodies (Accounts and Audit) Act and other statutory requirements.

GOVERNANCE STRUCTURE

FUNCTIONING OF THE BOARD

The Board meetings are a fundamental component of governance processes. Each Board meeting is critical as it is the main opportunity to fulfill its functions and responsibilities. According to the Copyright Act, the Board shall be convened by the Chairperson at such time and place as he thinks fit, or in his absence, by him. Nine members of the Board shall constitute a quorum. The Board shall regulate its meetings and proceedings in such manner as it thinks fit.

A Secretary to the Board is appointed in accordance with Section 44 of the Act.

THE STRUCTURE OF THE BOARD AND ITS COMMITTEES

BOARD COMPOSITION

Mr. Julien George	- Chairperson
Representative of the Ministry of Arts and Cultural Heritage	
Representative of the Attorney-General's Office	
Representative of the Ministry responsible for the subject of industry	
Representative of Customs Department	
Representative of Customs Department	
Representative of the Industrial Property Office	
Mr. A. Calou	- Appointed Member
Mr. J. A. Residu	- Appointed Member
Three Members of the Society	(Elections not held)

The Appointed Members were replaced by Mr. J. George and Mr. M. Chummun as at October 2017.

CHANGES ON THE BOARD DURING THE YEAR UNDER REVIEW (AS FROM APRIL 2018)

Mr. M. L. Veeraragoo

- Chairperson (Appointed in October 2017)

Representative of the Ministry of Arts and
Cultural Heritage

Representative of the Attorney-General's Office

Representative of the Ministry responsible for the
subject of finance

Representative of the Ministry responsible for the
subject of industry

Representative of the Ministry responsible for the
subject of information and communication
technology

Representative of Customs Department

Representative of the Industrial Property Office

Mr. M. Oozeer

- Appointed Member

Mr. J. J. Arjoon

- Member (Category Music Author,
Composer and Performer)

Mr. G. Hurry

- Member (Category Music Author,
Composer and Performer)

Mr. G. Louis OSK

- Member (Category Audiovisual/Theatrical)

Ms G. Boulaye

- Member (Category Audiovisual/Theatrical)

Mr. S. R. Assonne

- Member (Category Literary Author)

Mr. R. Hein

- Member (Category Publisher)

Ms N. Alleck

- Member (Category Other-works)

INTERNAL CONTROL

INTERNAL AUDIT

To ensure performance of the organisation's management systems and its operational activities, the assistance of the Internal Control Unit of the Parent Ministry will be sought to report on matters such as reliability of system and records, control of assets and detection and prevention of malpractices

REPORTING

COMMUNICATION AND DISCLOSURES

The Society maintains an open-door policy with its stakeholders for ensuring optimal transparency and disclosure at all levels. The following mechanisms are used so that stakeholders are kept informed of activities:

- (i) Written communication
- (ii) Face-to-face meetings
- (iii) Networking with institutions; and
- (iv) Annual Report
- (v) Annual General Meeting

RELATED PARTY TRANSACTIONS

There has been no Related Party Transactions during the year.

AUDIT

AUDITING AND ACCOUNTING

The Board is responsible for the timely preparation of the Annual Report which includes the financial statements.

EXTERNAL AUDIT

The Financial Statements are audited by the National Audit Office against a fee.

RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

The Board believes and respects the interests of its stakeholders within the context of its fundamental purpose. Interactions with and feedback are given to applicants during the course of their applications through phone, letters and in persons.

STATEMENT OF BOARD RESPONSIBILITIES

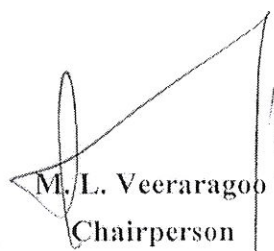
The Board is responsible for the overall management of the Society, ensuring that proper standards of corporate governance are maintained and are in compliance with statutory and regulatory obligations. The Board members fully understand the importance of corporate governance.

The Board is responsible for ensuring that procedures and practices are in place to protect the Society's assets and reputation. The Board is responsible for keeping proper accounting records for the purpose of recording all transactions relating to its funds and activities.

The Act also requires the preparation of financial statements for each financial year which presents fairly the financial position, financial performance and the cash flows of the Society.

The Board confirms that they have complied with the above requirements in preparing the financial statements.

All Statutory bodies specified in the schedule of the Statutory Bodies (Account and Audit) Act are required to align their financial year with that of government. Accordingly, the Society has prepared its Annual Report for year ended 30 June 2018 (July 2017 to June 2018).

 M. L. Veeraragoo Chairperson	 G. D. Louis Board Member
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RIGHTS MANAGEMENT SOCIETY

**FINANCIAL STATEMENTS FOR THE YEAR
JULY 2017 TO JUNE 2018**

MAURITIUS SOCIETY OF AUTHORS

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Notes	30-Jun-18 Rs	30-Jun-17 Rs
ASSETS			
<u>Non-Current Assets</u>			
Property, Plant and Equipment	3	10,418,352	10,619,771
<u>Current Assets</u>			
Inventory	4	20,603	88,630
Trade and other receivables	5	18,617,514	16,944,775
Cash and Cash equivalent	6	84,284,582	74,238,362
Total current assets		102,922,699	91,271,767
TOTAL ASSETS		113,341,051	101,891,538
FINANCED BY:			
EQUITY AND LIABILITIES			
<u>Equity and Reserves</u>			
Accumulated Fund		(20,348,196)	(19,421,328)
Provident & Social Welfare Fund		14,705,122	13,186,343
Total Equity		(5,643,074)	(6,234,985)
<u>Non-Current Liabilities</u>			
Employee Benefits	7	10,200,027	10,365,612
<u>Current Liabilities</u>			
Employee Benefits	7	1,486,062	1,362,254
Trade and other payables	8	107,298,036	96,398,657
Total current liabilities		108,784,098	97,760,911
Total Liabilities		118,984,125	108,126,523
TOTAL EQUITY AND LIABILITIES		113,341,051	101,891,538

The Financial Statements were approved by the Board on 5 July 2022.

M. L. Veeraragoo
Chairperson

G. D. Louis
Board Member



MAURITIUS SOCIETY OF AUTHORS
MASA House, Avenue des Artistes
Beau - Bassin

MAURITIUS SOCIETY OF AUTHORS

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2018

	Notes	30-Jun-18 Rs	30-Jun-17 Rs
<u>INCOME</u>			
Grant from Government		2,187,825	5,310,221
Interest		-	21,339
Income from Copyright fees and holograms	11	13,215,049	16,112,707
Other income		675,052	902,875
		<u>16,077,926</u>	<u>22,347,142</u>
<u>EXPENDITURE</u>			
Staff costs	9	10,827,862	17,701,569
Administrative Expenses	10	5,012,895	6,096,943
Chairman and Board Member fees		615,328	1,337,141
Depreciation	3	220,519	586,144
Legal and Professional Fees		311,586	576,482
Financial charges		16,604	57,714
		<u>17,004,794</u>	<u>26,355,993</u>
Deficit for the Year		<u>(926,868)</u>	<u>(4,008,851)</u>

MAURITIUS SOCIETY OF AUTHORS
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MAURITIUS SOCIETY OF AUTHORS

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

	Provident and Social Welfare Fund Rs	Accumulated Fund Rs	Total Rs
Opening balance 01 January 2016	11,309,284	(5,983,434)	5,325,850
<i>Prior year adjustment:</i>			
Assets not depreciated	-	(2,607,734)	(2,607,734)
Sick leave	-	(2,665,790)	(2,665,790)
Vacation leave	-	(1,997,300)	(1,997,300)
Passage Benefit	-	(857,940)	(857,940)
Overstatement of receivables	-	(1,302,279)	(1,302,279)
Correction of errors	-	2,000	2,000
Opening balance 01 January 2016, restated	11,309,284	(15,412,477)	(4,103,193)
Contribution received during the period	2,926,259	-	2,926,259
Payments made during the period	(1,049,200)	-	(1,049,200)
Deficit for the period	-	(4,008,851)	(4,008,851)
Opening balance 01 July 2017	13,186,343	(19,421,328)	(6,234,985)
Contribution received during the year	2,156,886	-	2,156,886
Payments made during the year	(638,107)	-	(638,107)
Deficit for the year	-	(926,868)	(926,868)
Closing balance 30 June 2018	14,705,122	(20,348,196)	(5,643,074)

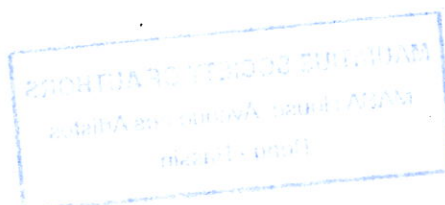
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MAURITIUS SOCIETY OF AUTHORS

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

	30-Jun-18 Rs	30-Jun-17 Rs
Cash flow from operating activities		
Deficit of Income over Expenditure	(926,868)	(4,008,851)
Adjustments for:		
Depreciation	220,519	586,144
Net Cash Generated from Operating Activities	(706,349)	(3,422,707)
Working Capital Changes		
Decrease/(Increase) in inventory	68,026	(24,998)
Decrease/(Increase) in Trade and other receivables	(1,672,739)	157,451
Increase in Trade and other payables	10,899,380	19,143,325
(Decrease)/Increase in Employment Benefits	(41,777)	1,374,635
Net movement in working capital	9,252,890	20,650,413
Cash flows from investing activities		
Acquisition of Property, Plant and Equipment	(19,100)	(14,615)
Net Cash flows from investing activities	(19,100)	(14,615)
Cash flows from financing activities		
Contribution to Provident fund	2,156,886	2,926,259
Payments from Provident fund	(638,107)	(1,049,200)
Net Cash flows from financing activities	1,518,779	1,877,059
Net increase in cash and cash equivalent	10,046,220	19,090,150
Cash and cash equivalents at beginning of year	74,238,362	55,148,212
Cash and cash equivalents at end of year	84,284,582	74,238,362



MAURITIUS SOCIETY OF AUTHORS
 MASA House, Avenue des Artistes
 Beau - Bassin

MAURITIUS SOCIETY OF AUTHORS

NOTES TO THE FINANCIAL STATEMENTS

I. GENERAL INFORMATION

The MAURITIUS SOCIETY OF AUTHORS (the Society) was established by the Copyright Act 1986 and it operates under the aegis of the Ministry of Arts and Cultural Heritage.

The functions of the Society, as amended by the Copyright Amendment Act 2017, are to: -

- (a) collect copyright fees and charges from the users of a work, on behalf of its members, and distribute those fees among the members;
- (b) determine the criteria for, and classes of, membership of the Society;
- (c) represent and defend the interests of its members in Mauritius and abroad;
- (d) contribute, by all appropriate means, to the promotion of national creativity in the artistic, literary and scientific fields;
- (e) administer within Mauritius such economic rights of its members as it may determine;
- (f) negotiate with any users of a work the conditions of, and the fees and charges to be paid for, the authorisation to be given to do an act covered by any economic rights and/or the amount of equitable remuneration where the right to such remuneration is administered by the Society;
- (g) grant any authorisation which it is permitted to give under this Act;
- (h) enter into reciprocal agreements with foreign collective management organisations for the issue of exclusive authorisation in respect of their members' works and for the collection and distribution of copyright fees deriving from those works;
- (i) endeavour to obtain the transfer of membership of Mauritian authors who are members of foreign collective management organisations and safeguard in favour of the Mauritian authors whose membership has been transferred, all the advantages which may have accrued to them before the transfer;
- (j) enter into contracts with relevant persons, for the benefit of its members, regarding the use of the works of the members;
- (k) foster such harmony and understanding between copyright owners and the users of their works as may be necessary for the protection of the economic rights of the authors;
- (l) provide its members with information or advice on all matters relating to copyright; and
- (m) establish and administer a Provident Fund and a Benevolent Fund for its members and their heirs.

The business address of the Society is at the NPF Building, Sholto Douglas Street, Port Louis.

MAURITIUS SOCIETY OF AUTHORS

2. ACCOUNTING POLICIES (CONTINUED)

(i) Revenue Recognition (Continued) Income (continued)

Interest and other income are recognized on an accrual basis.

Government Grant

The revenue necessary to finance the expenditure of MASA 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.

Capital Grant is recognized as a deferred income in the Statement of Financial Position and is released to the Statement of Financial Performance over the life of the assets.

(j) Expenses

Expenses are charged to the Statement of Financial Performance in the period in which they are incurred.

(k) Related Party Transaction

The Society regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Society, or vice versa.

MAURITIUS SOCIETY OF AUTHORS

3. PROPERTY, PLANT AND EQUIPMENT

<u>COST</u>	Land (Rs)	Building (Rs)	Repertoire (Rs)	Motor vehicle (Rs)	Repertoire de la presse (Rs)	Renovation Works (Rs)	Office Equipment & Website (Rs)	Office Furniture (Rs)	Computer Equipment (Rs)	Total (Rs)
Balance as at 1 July 2017	1,513,409	4,439,330	390,000	805,000	140,000	6,411,193	2,598,923	1,736,625	642,864	18,677,344
Additions during the year	-	-	-	-	-	-	19,100	-	-	19,100
Balance as at 30 June 2018	1,513,409	4,439,330	390,000	805,000	140,000	6,411,193	2,618,023	1,736,625	642,864	18,696,444
<u>DEPRECIATION</u>										
Balance as at 1 July 2017	-	932,259	-	805,000	140,000	1,218,127	2,582,698	1,736,625	642,864	8,057,573
Charge for the year	-	88,787	-	-	-	128,224	3,508	-	-	201,519
Balance as at 30 June 2018	-	1,021,046	-	805,000	140,000	1,346,351	2,586,206	1,736,625	642,864	8,278,092
Net Book Value as at 30 June 2018	1,513,409	3,418,284	390,000	-	-	5,064,842	31,817	-	-	10,418,352
Net Book Value as at 30 June 2017	1,513,409	3,507,071	390,000	-	-	5,193,066	16,225	-	-	10,619,771

MAURITIUS SOCIETY OF AUTHORS

	30-Jun-18	30-Jun-17
	Rs	Rs
4. INVENTORY		
At 01 July	88,630	63,632
Movement	(68,027)	24,998
At 30 June	<u>20,603</u>	<u>88,630</u>
	30-Jun-18	30-Jun-17
	Rs	Rs
5. TRADE AND OTHER RECEIVABLES		
Grant from Government	10,500,000	10,500,000
Copyright fees and Holograms	7,705,706	5,989,223
Loans and Advances from Artists	347,119	390,863
Other receivables	64,689	64,689
At 30 June	<u>18,617,514</u>	<u>16,944,775</u>
	30-Jun-18	30-Jun-17
	Rs	Rs
6. CASH AND CASH EQUIVALENTS		
Cash at bank	84,275,201	74,225,119
Petty Cash	9,381	13,243
Closing balance	<u>84,284,582</u>	<u>74,238,362</u>
	30-Jun-18	30-Jun-17
	Rs	Rs
7. EMPLOYEE BENEFITS		
<i>Classified under Current Liabilities</i>		
Sick leaves obligations	280,779	216,015
Vacation leaves obligations	-	-
Passage benefit obligations	1,205,283	1,146,239
	<u>1,486,062</u>	<u>1,362,254</u>
<i>Classified under Non- current liabilities</i>		
Retirement benefit obligations	4,832,201	4,832,201
Sick leaves obligations	2,902,770	3,199,977
Vacation leaves obligations	2,465,056	2,333,434
	<u>10,200,027</u>	<u>10,365,612</u>
Total	<u>11,686,089</u>	<u>11,727,866</u>

MAURITIUS SOCIETY OF AUTHORS

	30-Jun-18	30-Jun-17
	Rs	Rs
8. TRADE AND OTHER PAYABLES		
Undistributed copyright rights	106,998,022	96,064,710
Accruals and Supply creditors	300,014	333,947
Closing balance	<u>107,298,036</u>	<u>96,398,657</u>
	30-Jun-18	30-Jun-17
	Rs	Rs
9. STAFF COSTS		
Salaries, bonuses & allowances	7,981,766	12,084,936
Travelling and Transport	588,009	841,923
Pension Contribution and FPS	1,626,596	2,488,821
National Savings Fund	128,465	186,901
Staff Welfare and other benefits	23,150	21,900
Passage Benefit	364,682	580,734
Sick leaves	(16,428)	1,160,220
Vacation leaves	131,622	336,134
	<u>10,827,862</u>	<u>17,701,569</u>
	30-Jun-18	30-Jun-17
	Rs	Rs
10. ADMINISTRATIVE EXPENSES		
Rent	94,184	134,441
Office expenses	93,844	256,499
Telephone and fax	239,773	385,627
Electricity and Water	179,849	284,007
Repairs and maintenance	32,972	268,765
Printing and Stationery	202,611	464,323
Insurance	-	14,297
Car running expenses	-	10,000
Overseas mission	36,628	119,538
Holograms and stamps	14,821	(35,425)
Security	63,481	429,933
Advertising	5,000	177,261
Hired Transport	73,200	214,250
Overheads	3,976,532	3,373,427
	<u>5,012,895</u>	<u>6,096,943</u>

MAURITIUS SOCIETY OF AUTHORS

11. INCOME FROM COPYRIGHT FEES AND HOLOGRAMS

	30-Jun-18 Rs	30-Jun-17 Rs
Total collections during the year:		
Copyright fees	34,890,095	45,363,923
Hologram	1,016,164	1,797,770
Contribution to Provident Fund (7%)	(2,156,886)	(2,926,259)
Distributable to artists:		
Copyright fees	(19,807,474)	(26,854,205)
Hologram	(726,850)	(1,268,522)
MASA share:		
Copyright fees	12,925,735	15,583,459
Hologram	289,314	529,248
Total	13,215,049	16,112,707

12. RELATED PARTY TRANSACTION

The Society is making the following disclosures in respect of related party transactions:

	30-Jun-2018 Rs	30-Jun-2017 Rs
Remuneration		
Chairman and Board Member Fees	615,328	1,337,141

13. EVENTS AFTER REPORTING DATE

- (i) There have been no material events after the reporting date which would require disclosure or adjustments to the financial statements for the period ended 30 June 2018.
- (ii) Following audit of the accounts of the Society, overpayments of Responsibility Allowances totaling Rs 553,591 were identified. At its meeting of 11 July 2023, the Society's board has agreed that the excess payments of responsibility allowance effected in the past, where applicable, would not be considered.

