

NATIONAL AUDIT OFFICE

REPORT OF THE DIRECTOR OF AUDIT

THE BOARD OF THE STATUTORY BODIES FAMILY PROTECTION FUND

Report on the Audit of the Financial Statements

On the Financial Statements of the Statutory Bodies Family Protection Fund for the year ended 30 June 2018



NATIONAL AUDIT OFFICE



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REPORT OF THE DIRECTOR OF AUDIT TO THE BOARD OF THE STATUTORY BODIES FAMILY PROTECTION FUND

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of the Statutory Bodies Family Protection Fund, which comprise the statement of financial position as at 30 June 2018 and the statement of comprehensive income, statement of management expenses, statement of changes in reserves and statement of cash flow for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Statutory Bodies Family Protection Fund as at 30 June 2018, and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Statutory Bodies Family Protection Fund in accordance with the INTOSAI Code of Ethics together with the ethical requirements that are relevant to my audit of the financial statements in Mauritius, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report of the Statutory Bodies Family Protection Fund for the period ended 30 June 2018, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting 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.

In preparing the financial statements, management is responsible for assessing the Statutory Bodies Family Protection Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management intends to cease operations, or has no realistic alternative but to do so.

Those charged with ~~gov~~ernance are responsible for overseeing the Statutory Bodies Family Protection Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Statutory Bodies Family Protection Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Statutory Bodies Family Protection Fund's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Statutory Bodies Family Protection Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on Other Legal and Regulatory Requirements

Management's Responsibility for Compliance

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. This responsibility includes performing procedures to obtain audit evidence about whether the Statutory Bodies Family Protection Fund's expenditure and income have been applied to the purposes intended by those charged with governance. Such procedures include the assessment of the risks of material non-compliance.

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

Opinion on Compliance

Statutory Bodies Family Protection Fund Act

An actuarial valuation of the Fund has not been carried out as required under Section 9 of the Statutory Bodies Family Protection Fund Act. The last actuarial investigation report covered the period ended 31 December 2008; no actuarial investigation into and valuation of the Fund has been made since then.

In my opinion, except for the non-compliance with Section 9 of the Act, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the Act.

Public Procurement Act

The Statutory Bodies Family Protection Fund 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 examination of the relevant records.



C. ROMOOAH
Director of Audit

National Audit Office
Level 14,
Air Mauritius Centre
PORT LOUIS

18 September 2019

ANNUAL REPORT 2018 AMENDED



Year ending 30 June 2018

STATUTORY BODIES FAMILY PROTECTION FUND

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Port-Louis.

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Help, confidentiality, support.

STATUTORY BODIES FAMILY PROTECTION FUND

Annual Report for the Year 2017/2018

Corporate Profile

Background

The Statutory Bodies Family Protection Fund formerly known as the Widows' and Orphans' (Statutory Bodies) Pension Fund was established by Ordinance 41 of 1966 to provide for the payment of a monthly pension to spouses of Municipal employees, District Councils, Sugar Industry Labour Welfare Fund and the Town and Country Planning Board, who die whilst still in service or after retirement.

Objectives

- To ensure the well-being of our members, pension beneficiaries and employees.
- To provide continuous training and staff motivation to keep pace with development trend and to meet daily challenges.
- To improve the financial base of the Organization
- To promote its growth.

Our Vision

- We desire to place our organisation on the same footing as other institutions in the financial sector offering invaluable services to the whole community of pensioners and affiliated members and also diversifying our activities.

Our Mission

- We endeavour to provide an excellent level of service to the members and beneficiaries backed by up to date information technology and professional support.

Our Values:

- *Customer Care*

To offer best services to our pensioners, associates and members of the public.

- *Innovative*

Tailoring services to meet changing customer needs, to improve efficiency and competitiveness.

- *Integrity*

Application of Good Governance and honesty in our day to day activities.

- *Teamwork*

Provide service with enthusiasm and speed.

- *Diversity.*

Provide equal opportunity to all.

Profile of Directors

1. Mr Georges Henry JEANNE

Mr Georges Henry Jeanne is the Chairman of the Board since Jan 2010. He is the Permanent Secretary of the Ministry of Local Government. He holds a BA(Hons) in Administration.

2. Dr Elvancee ANAMALAY

Dr E.Anamalay is the Deputy Mayor of the Municipal Council of Beau Bassin Rose Hill. She is a Medical Practitioner at the Welkin Hospital.

3. Mr. Sunael PURGUS

4. Mr Shyam TEELUCK

Mr S.Teeluck is the Chief Executive at the District Council of Grand Port, worked as Deputy Chief Executive and Assistant Chief Executive. He has been a member of the SBFPFund Board previously. He is a representative of Association of District Councils. He is a member of ICSA (Associate) and a holder LLB(Hons)

5. Mr Vineshsing SEEPARSAD

Mr V.Seeparsad is the Chief Executive at the Municipal Council of Beau Bassin Rose Hill and has worked as Acting Chief Executive, Deputy Chief Executive and Assistant Chief Executive at different Councils. He is the holder of a Bsc (Hons) in Management, Fellow Chartered Certified Accountant (FCCA) and MBA. He is a representative of the Association of Urban Authorities.

6. Mrs Beedwantree RAMDOWAR

Mrs B. Ramdowar is a representative of the Sugar Industry Labour Welfare Fund Staff and Employees Union. She is Word Processing Operator at the Sugar Industry Labour Welfare Fund and on various occasions taken the responsibility of Confidential Secretary at the SILWFund. She is qualified in Typewriting, and Information Technology. She has also followed courses in National Training Certificate in Business Accounting and Commercial Practice 1989, Service Course in Management 2005, Internet & Computing Core Certification (IC3) Programme 2008.

7. Mr Chandraduth TENGUR

Mr C. Tengur works as Field Supervisor at the District Council of Pamplemousses. He is a representative of Local Government Employees association. He has been a member of the SBFPFund Board previously.

8. Mr Mamode Ickram HOSSEN MAMODE

Mr M.I.HossenMamode is employed at Savanne District Council and has forty years' experience as Health Inspector having a Diploma in Environmental Health.. He is a representative of the Employees' Union.

9. Mr Soorendranath SUNGKUR

Mr S.Sungkur is a representative of Employees' Union and works at the Riviere Du Rempart District Council as Receptionist previously employed at the DWC.

Profile of Senior Management

Ms Bindoomatee RAMNAWAZ -Manager

B.Ramnawaz is a Fellow Chartered Certified Accountant with considerable expertise in Accounting and Auditing.

She has been awarded a MBA in Financial Services from the University of London School of Business and Finance accredited by the University of East London Business School.

She is the Manager of the Fund Since Oct 2012 to date and assigned the duties of Manager since Jan 2010. She joined the Fund as Assistant Manager/Accountant in July 2008.

Prior to her current role, she has worked as follows:

Assigned duties of Principal Accountant at the Municipal Council of Port Louis from Feb 2007 to June 2008

Accountant at the Municipal Council of Port Louis from May 2006 to Jan 2007

Examiner of Accounts at the National Audit Office: From July 2002 to April 2006.

Assistant Finance Officer from 2000 to 2002 and performed duties in different Ministries/Departments at operational level.

Corporate Information:

Body: Statutory Bodies Family Protection Fund

Registered Office: Galerie Remy Olier Building Port Louis.

Board of Directors

The Board of Directors for the Year 2017/18 was constituted as follows: -

Mr Georges Henry Jeanne
Ms Elvanee Anamalay
Mr Vineshsing Seeparsad
Mr Sunael Singh Purgus
Mr R Gangadeen (replaced by
Mr Shyam Teeluck)
Mrs Beedwanttee Ramdowar
Mr M Ickram Hossen Mamode
Mr Chandraduth Tengur
Mr Surendranath Sungkur

Staff Committee 2017/18 composed of:

Mr Shyam Teeluck-Chairman
Dr Elvanee Anamalay-Member
Mrs Beedwanttee Ramdowar-Member
Mr Mamode Hossen Mamode-Member

Audit Committee 2017/18 composed of:

Mr Vineshsing Seeparsad-Chairman
Mr Sunael Purgus-Member
Mr Chandraduth Tengur-Member
Mr Surendranath Sungkur-Member



Manager: Ms Bindoomatee RAMNAWAZ

Legal Advisor: Me Jean Didier Kersley PURSUN, Attorney at Law

Auditor: National Audit Office

Corporate Governance Report:

Compliance Statement:

Board Members are appointed by the Minister, approved by the Cabinet and gazetted.

Board Committees 2017/2018

Number of Board Meetings held during the year: 7
 Number of Audit Committees held during the year: 12
 Number of Staff Committees held during the year: 5

Attendance of Board Members:

Name	<u>Board Meeting</u> Number of Presences	<u>Staff Com</u> Number of Presences	<u>Audit Com</u> Number of Presences	Number of Absences
Mr Georges Henry Jeanne	1	-	-	-
Ms Elvanee Anamalay	1	-	-	2
Mr Vineshsing Seeparsad	-	-	1	1
Mr Sunael Singh Purgus	1	-	1	-
Mr R Gangadeen (replaced by Mr Shyam Teeluck)	1	-	1	-
Mrs Beedwanttee Ramdowar	1	1	-	-
Mr M Ickram Hossen Mamode	1	1	-	-
Mr Chandraduth Tengur	1	-	1	-
Mr Surendranath Sungkur	1	1	-	-

Previous Board

Mr Georges Henry Jeanne	6	-	-	-
Mr Mohammad Oumar Kholeegan	4	-	-	2
Mr Jaylall Mulloo	6	4	-	-
Mr Vinaye Thakoor	6	-	11	-
Mr Vijaye Busawon	5	-	-	1
Mrs Beedwanttee Ramdowar	5	4	-	1
Mr Bhoopnarain Thorul	6	-	9	2
Mr Chandraduth Tengur	6	-	10	1
Mr Kowlessur Mohun	6	4	-	-

Directors Remuneration: As per Pay Research Bureau Report Recommendations

Audit Committee

The Audit Committee has deliberated their views and recommendations at its sitting held twelve times during the year 2017/18.

The part time Internal Auditor of the Fund has reported his findings to the Management and committee.

The recommendations of the Audit Committee have been approved by the Board of Directors and have been implemented by the management accordingly.

Material clauses of the constitution.

Board Decisions require at least five members presence

Any Related Party Transactions

Any related party transactions are disclosed in financial statements and recorded in Board Minutes.

The Manager of the Fund also acts as secretary to the Board



Corporate Objectives Statement

Introduction

The Statutory Bodies Family Protection Fund formerly known as the Widows' and Orphans' (Statutory Bodies) Pension Fund was established by Ordinance 41 of 1966 to provide for the payment of a monthly pension to spouses of Municipal employees, District Councils, Sugar Industry Labour Welfare Fund and the Town and Country Planning Board, who pass away whilst still in service or after retirement.

The Fund is managed by a Board of Directors appointed by the Ministry of Local Government.

1. Objectives of the Organisation

Expected Output

- To ensure the well-being of our members, pension beneficiaries and employees.
- To provide continuous training and staff motivation to keep pace with development trend and to meet daily challenges.
- To ensure the correct amount of contribution is received and on a timely basis from the Councils.
- To ensure payment of pension to the right person.
- Payment of pension to beneficiaries on a timely basis.
- Investment of funds in a most secured and profitable manner.
- To establish a good Internal Control System.

Time frames

Output are measured and monitored on a monthly basis.

Value drivers

- Rate of Contribution
- Rate of Pension
- Repo Rates
- Number of applications for loans
- Customer service/care

Stakeholders

- Pensioners (widows, widowers and orphans)
- Associates
- Financial/Banking Institutions
- Employees
- Councils

2. Mission Statement

We are an organisation which caters mainly for the pension needs of beneficiaries of deceased employees from all Municipalities, District and other member Statutory Bodies.

We manage funds in the best possible manner to achieve a superior financial return balanced with our long-term growth, benefiting primarily our pensioners, associates and employees.

We have a dedicated staff having a sense of commitment for the welfare and improvement towards our pensioners and members.

We endeavour to provide an excellent level of service to the members and beneficiaries backed by up to date information technology and professional support.

3. Vision

We desire to place our organisation on the same footing as other institutions in the financial sector offering invaluable services to pensioners and affiliated members and diversifying our activities.

We shall endeavour to concentrate much of our efforts on innovative actions, teamwork, initiative, efficiency and competitiveness.

3(a). Corporate Vision for 3 Years

To lay emphasis on the impact of the decreasing number of Associates and Contribution received following the amendment of the pension and SBFP Fund Act 2013 where Associates are no longer contributing to the Fund.

- To cater for the increasing number of pensioners.
- To establish a good and reliable information system.
- To look for investment opportunities in properties (Land & Building).
- Other investment opportunities to maximize our returns.
- To develop a sound working relationship with financial institutions so as to keep abreast with most recent investment opportunities.
- To increase the ceilings of loans to associates.
- To look for possible grants.
- To extend loan facilities other than personal purposes.

Conclusion

Given the small size of the organisation, the limited staff composition and the recent changes in the contribution scheme it would be virtually impossible to build up a long-term plan. The changes would probably affect the going concern of the Fund. However, we shall within the three-year period try to implement the various strategies highlighted earlier to the best of our abilities and with the help of our parent Ministry especially in specific areas where the Minister will be solicited to approve certain schemes of a social character.

4. Statement of Accountability by the Board

The Board is accountable in respect of all decisions taken and thereafter implemented by the Manager of the Fund.

Reporting Obligations

The Board approves the accounts and reports of the Fund within the required time limit for submission to the Ministry and for Auditing to the National Audit Office.

5. Expectations on Financial Performance for the Year

The Fund expects to maximize its return from investments in the foreseeable future. The Fund has launched a Personal Loan Scheme and expects to help financially a large number of associates and also to boost up our Investment return.

6. Expectations in respect of non- financial performance, Social, Economic, Political or Environmental

- The Fund has a major role to play in the sector of Financial Services and at the same time ensuring financial assistance to the family of deceased associates.
- Over and above its pension activities, the Fund also provides Housing and Personal Loan facilities to its members and probably expects to increase the ceilings during the coming years.
- The Fund is also expecting a relatively decreasing investment return being given that the repo and interest rate is continuously going down during the recessionary period.

During the last decade, pension issues have been in the limelight of international actuarial discussions and debates at National level.

The costs of pension provisions, employer/employee awareness, security of assets, customer communication have been thoroughly debated upon with the consequence that the last few years have seen an enhancement in regulatory powers and customer communication.

The Fund expects to improve the cost of pension provisions to some extent with the recent amendments to Pension Act extending retirement age up to 65 years.

Following the amendments to the SBFPFund Act, people joining the local authority with effect from January 2013 are not subject to contribute to the Fund. Henceforth, the pension liability of the latter would no longer fall under the aegis of the Fund and on the other hand, considerably reduce the contribution income of the Fund.

7. Expected behaviour of Stakeholders

- Option for refund of contribution upon retirement.
- Payment of lifetime pension to invalid orphans
- To bridge the age limit discrimination gap between male and female orphans.

Financial Highlights

1. Membership

As at 30 June 2018, there were 5,572 male and female associates under the Family Protection Scheme compared to 6060 in 2016/17.

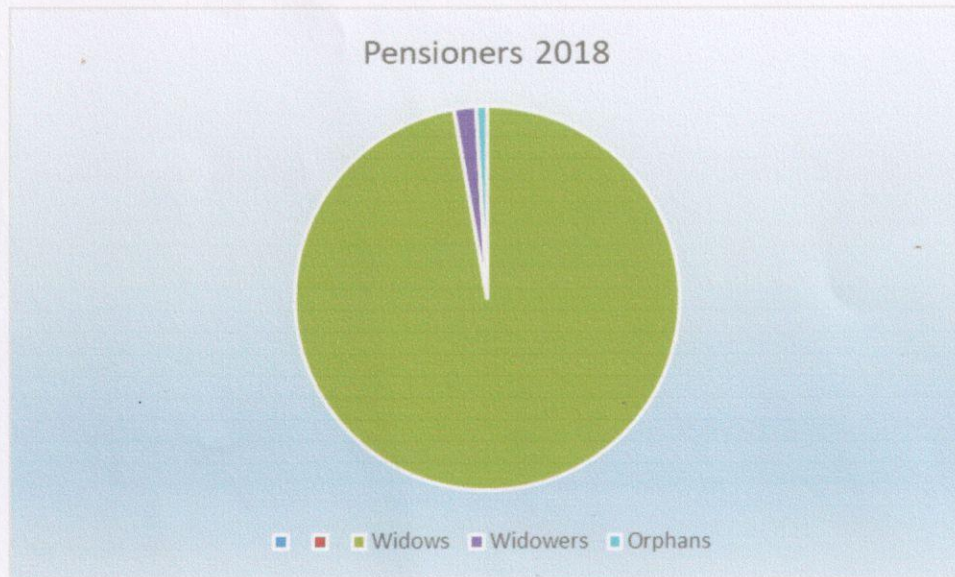
<u>Councils</u>	<u>No of Associates</u>	<u>Retired Associates</u>	<u>Total</u>
Port Louis	1071	122	1193
Beau Bassin/Rose Hill	614	13	627
Quatre Bornes	634	45	679
Vacoas/Phoenix	660	61	721
Curepipe	320	94	414
SILWFund	680	72	752
Moka	174	-	174
Flacq	243		243
Pamplemousses	231	6	237
Riviere du Rempart	228	3	231
Grand Port	295	4	299
Savanne	206	-	206
Black River	197	1	198
Town & Country Planning Board	10	-	10
SBFProtection Fund	10	-	10

The number of associates is decreasing gradually following the amendment SBFPFund Act 2012 and the existing option for the refund of contribution (SBFPFund Act 1988).

2. Spouse's and Orphans' Pensions

The number of spouse and orphans receiving pension from the Fund during 2017/18 was as follows:

	<u>30.06.2017</u>	<u>30.06.2018</u>
Widows	1108	1157
Widowers	22	22
Orphans	15	11
	1145	1190



New pensioners during the year were as follows: -

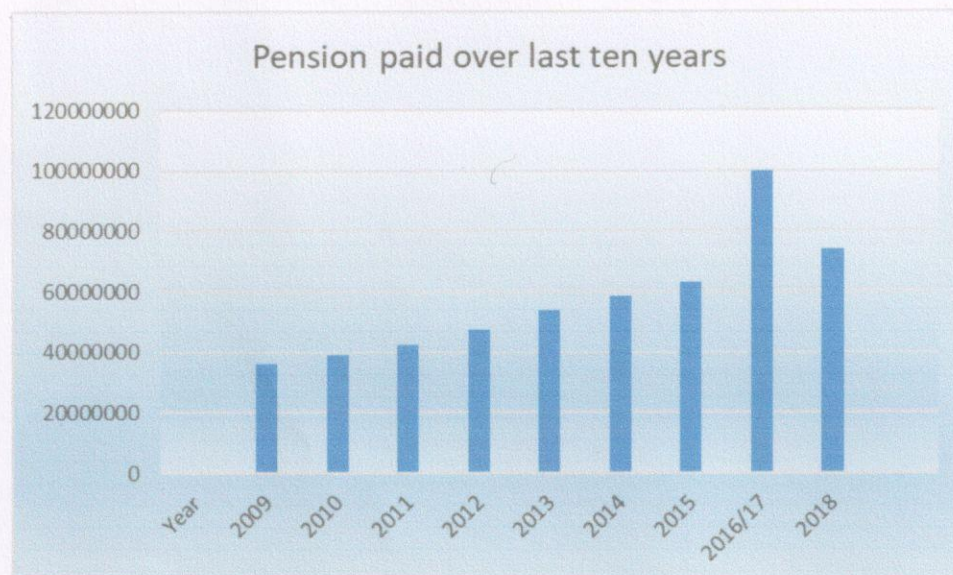
Widows with orphan	44
Widowers	-
Orphan only	1

Total pensions paid for the year ended 2017/2018 amounted to **Rs74,046,502/-** compared to **Rs99,858,219/-** for the period ended 2016/2017(18 months), representing an increase of approximately 11.2%. This increase is mainly attributable to the following factors: -

- (1) the payment of an extra remuneration to all pensioners as recommended by Government.
- (2) the payment of benefits to some 45 additional new pensioners.

It should be pointed out that since the past ten years or so, the gross pension bill paid by the Fund has kept increasing as shown by the table and graphical representation below.

<u>Year</u>	<u>Rs</u>
2009	35,909,536
2010	39,150,694
2011	42,395,578
2012	47,643,496
2013	53,653,517
2014	58,334,889
2015	62,983,672
2016/17	99,858,219 (18 months)
2017/18	74,046,502



3. Refund of Contribution

During the year 2017/2018, 132 associates obtained a full refund of contributions they made whilst in service on grounds of old age, dismissal and resignation as detailed below: -

<u>On account of: -</u>	<u>Number of associates</u>	<u>Amount Refunded(Rs)</u>
i. Retirement on ground of age	113	11,793,913
ii. Resignation/Dismissal/others	17	1,351,825

In line with the recommendation of the 2008 Pay Research Bureau report, the refund of contribution has been refunded with compound interest in order to bring associates of the Fund on the same footing as associates of the Civil Service Family Protection Scheme.

During 2017/18, the amount refunded was of the order of **Rs-13,145,738**.

4. Membership Contributions

Contributions received from associates and their employers amounted to **Rs62,032,441/-** for the year ended 2017/18 compared to **Rs95,638,534/-** for period ended 2016/17(18 months). There is an increase representing approximately **2.7%** is mainly attributable to increase in salaries of Associates.

It is worth noting that the rate of employee/employer contribution has remained at the level of 2%, rounded to the next rupee, of gross salaries and is judged sufficient enough to sustain pension liabilities in future.

5. Investment

Investment in financial institutions has increased and stood at around **Rs1,710 million** as at 30 June 2018 compared to **Rs1,637 million** for the period ended 2016/2017 representing an increase of 4.5%.

All deposits have been placed in Banking and Non-Banking institutions at market rates and at the same time ensuring security of the Fund's placements.

Income from investments over the year has decreased from Rs110,804,287 to **Rs75,768,323**. Given the limited avenues for placement locally, it can be said that the level of interest rate has fallen continuously over the years.

It is worth pointing out that the traditional deposits with banking institutions have considerably fallen mainly because their interest rates have ceased to be competitive.

6. (i) Housing Loan Scheme

The Fund has resumed its housing loan activities since 2010. It is also worth noting that there is a consequent fall in the demand for Housing Loan over the last 10 years.

(ii) Personal Loan

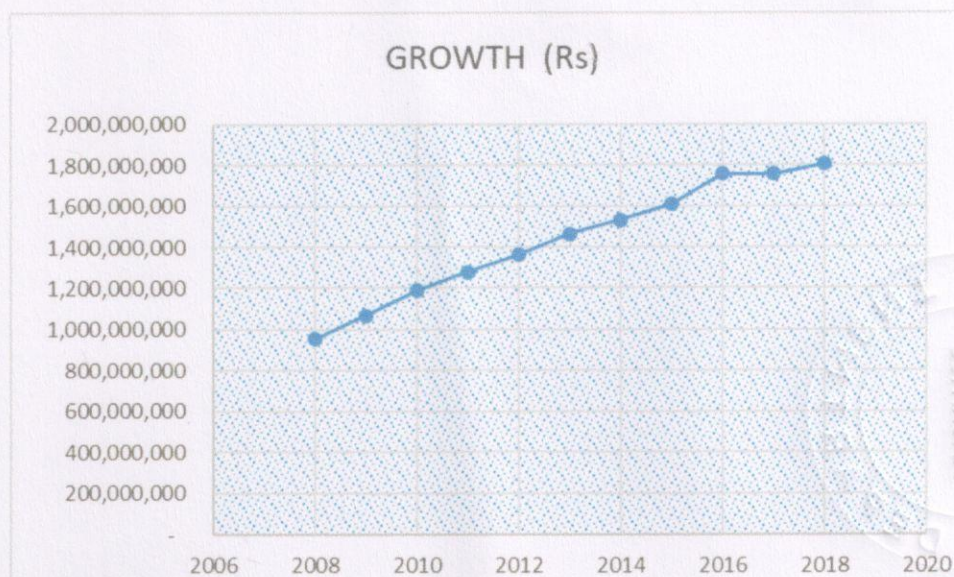
In the year 2011, the Fund has launched a Personal Loan Scheme of up to a maximum of **Rs 100,000** per associate refundable over a period of 3 years. During the year 2017/18, the Fund has acknowledged around 454 applicants of personal loan, amounting to **around Rs 22m**. The amount of interest yielded from personal loan is around **Rs2.8m-** at the existing rate of **9 % p.a**,

7. Growth and Changes

The Fund has achieved immense progress since its inception in 1966, more particularly during the past two and a half decades with a reported growth of its accumulated fund to around **Rs 1.8 bn**.

In spite of a decreasing market interest rate and the innumerable risks associated with placement in general, the Fund has successfully been able to diversify its investment portfolios to secure the highest possible returns.

Below is a graphical representation of the growth of the Fund during the past ten years.



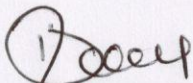
8. Conclusion

The Fund has realized a fall in income compared to last year. This can be explained by the rising cost of pension, decreasing housing loan and decreasing trend of interest rates/ Repo rates and the refund of contribution to retired associates with compound interest. Despite of the continuous global recession, the Fund has achieved a recorded income of **Rs41.5 million** for the year. There is, however, an apprehension that with the existing recession affecting the capital market at national level, the Fund might see its income from investments relatively low compared to the increase in investment. The Fund also intends to expand the loan activities to some extent and coping with the decreasing number of associates. The Fund needs to diversify the investments, preferably through the acquisition and development of landed properties. This proposal needs the urgent attention and consideration of the Board of Directors of the Fund, and consultants in the field need to be approached for expert advice.

Acknowledgements

On behalf of the Chairman and Board members, we wish to express our appreciation to the staff of the Fund for their continued dedication and hard work in achieving good results.

We would also like to place on record our thanks to the members of the Board for their support and contribution.



MANAGER

B. RAMNAWAZ, FCCA

30 April 2019

MB



**STATUTORY BODIES FAMILY
PROTECTION FUND
FINANCIAL STATEMENTS**

***For the year ended
30 June 2018***





STATUTORY BODIES FAMILY PROTECTION FUND

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 June 2018

	<u>Notes</u>	<u>30.06.2018</u>	<u>30.06.2017</u> <i>(18 months)</i> (Restated)
Assets			
Non-current assets		Rs	Rs
Property, Plant and Equipment	4	48,694	82,905
Intangible Assets	5	516,928	1,059,869
Investment	6	1,289,975,596	664,447,084
Trade receivables	8	47,383,094	59,812,014
Loan receivables	9	41,540,896	40,645,254
		1,379,465,208	766,047,126
Current assets			
Cash and cash equivalents	7	2,045,042	2,980,470
Investment	6	419,500,000	971,950,000
Trade receivables	8	14,390,598	23,073,545
Other receivables	10	2,315	2,315
		435,937,955	998,006,330
Total assets		1,815,403,163	1,764,053,456
Equity			
Reserves			
Retained earnings	23	1,477,612,207	1,432,005,739
Revaluation reserve		314,817,956	310,239,444
Total equity		1,792,430,163	1,742,245,183
Liabilities			
Non-current liabilities			
Retirement benefits obligations	11	15,778,254	15,980,837
Long term employee benefits	13	3,513,971	3,454,452
		19,292,225	19,435,289
Current liabilities			
Creditors and payables	12	3,436,670	1,979,446
Short term employee benefits	13	244,105	393,538
		3,680,775	2,372,984
Total liabilities		22,973,000	21,808,273
Total equity and liabilities		1,815,403,163	1,764,053,456

The Financial Statements were approved by the Statutory Bodies Family Protection Fund
on 03.05.2019
signed on their behalf:


Mohammad Salim Ferhat JOOMUN
CHAIRMAN


Shyam TEELUCK
BOARD MEMBER

The notes on pages 6 to 23 form an integral part of these financial statements.

STATUTORY BODIES FAMILY PROTECTION FUND

STATEMENT OF COMPREHENSIVE INCOME for the Year Ended 30.06.2018

	<u>Notes</u>	<u>30.06.2018</u>	<u>30.06.2017</u> <i>(18 months)</i>
Revenue		Rs	Rs
Contribution	14	62,032,441	95,638,647
Investment Income	14	75,768,324	110,804,287
Other income	15	3,519,499	2,930,392
		141,320,264	209,373,326
<u>Less</u>			
Pensions		74,046,503	99,858,219
Statutory contribution to management expenses	18	12,408,476	19,283,709
Refund of contribution		13,145,739	19,177,025
		99,600,718	138,318,953
Surplus of income		41,719,546	71,054,373
Prior Year Adjustment			219,828
Other comprehensive income/(expense):			
Actuarial Gain(losses) on defined benefits plans	11	1,111,087	(2,389,598)
		42,830,633	68,884,603
Gain/(loss) on revaluation of investment	22	4,578,512	73,487,807
Total comprehensive income for the period		47,409,145	142,372,410

The notes on pages 6 to 23 form an integral part of these financial statements.

STATUTORY BODIES FAMILY PROTECTION FUND

STATEMENT OF MANAGEMENT EXPENSES ACCOUNT for the year ended 30 June 2018

	<u>Notes</u>	<u>30.06.2018</u>	<u>30.06.2017</u> (18 months)
		Rs	Rs
Statutory contributions	18	12,408,476	19,283,710
<u>Less</u>			
Staff costs	16	7,344,318	10,390,328
Administrative expenses	17	2,288,323	3,095,317
		9,632,641	13,485,645
Surplus		2,775,835	5,798,065

The notes on pages 6 to 23 form an integral part of these financial statements.



STATUTORY BODIES FAMILY PROTECTION FUND

STATEMENT OF CHANGES IN RESERVE for the year ended 30.06.2018

	Note	<u>Equity</u> Rs	<u>Reserve</u> Rs	<u>Total</u> Rs
Balance as at 01 January 2016		1,350,733,527	236,751,637	1,587,485,164
Revaluation surplus/(loss)			73,487,807	73,487,807
Surplus of income for the year 2017		71,054,373		71,054,373
Prior Year Adjustment		219,828		219,828
Prior Year Adjustment on loan balances and interest		6,589,544		6,589,544
Surplus on management expenses		5,798,065		5,798,065
Actuarial gain(losses) on defined benefit plans		(2,389,598)		(2,389,598)
Balance as at 30.06.17 (Restated)	23	1,432,005,739	310,239,444	1,742,245,183
Surplus of income for theyear ended 30.06.2018		41,719,546		41,719,546
Surplus on management expenses account for year ended 30.06.2018		2,775,835		2,775,835
Revaluation surplus/(loss) for the year 2018			4,578,512	4,578,512
Actuarial Gain (losses) on defined benefits plans		1,111,087		1,111,087
Balance as at 30.06.2018		1,477,612,207	314,817,956	1,792,430,163



The notes on pages 6 to 20 form an integral part of these financial statements.

STATUTORY BODIES FAMILY PROTECTION FUND

STATEMENT OF CASH FLOW for the year ended 30.06.2018

	<u>30.06.2018</u>	<u>30.06.2017</u>
		18 months
	Rs	Rs
Cash flow from operating activities		
Surplus for the year	41,719,546	71,054,373
Surplus in management expenses account	2,775,835	5,798,065
	44,495,381	76,852,438
Adjustments for:		
Depreciation	659,248	1,193,655
Actuarial Gain/(losses) on benefit plan	1,111,087	(2,389,598)
(Decrease)/increase in retirement benefit obligations	(202,583)	3,403,784
Gain on revaluation of investment	-	-
Dividend received	(10,652,508)	(10,077,642)
Interest received	(65,115,816)	(162,612,159)
	(29,705,191)	(170,481,960)
(Increase)/Decrease in Working Capital		
Decrease in trade receivables	21,111,868	61,105,614
(Increase)/ Decrease in other receivables	-	972
(Decrease)/Increase in creditors and payables	1,457,224	1,118,122
(Decrease) in employee benefits	(89,914)	(63,627)
Loan Movement	(895,643)	1,860,957
	21,583,535	64,022,038
Cash generated from operations	(8,121,656)	(29,607,484)
Cash flow from Investing activities		
Dividend received	10,652,508	162,612,159
Interest received	65,115,816	10,077,642
Purchase of fixed assets	(82,096.00)	-
New investment	(68,500,000)	(144,000,000)
Total cash generated from investing activities	7,186,228	28,689,801
Increase/(Decrease) in cash and cash equivalents	(935,428)	(917,683)
Cash and cash equivalents at 1 Jul 2017	2,980,470	3,898,153
Cash and cash equivalents 30 June 2018	2,045,042	2,980,470

STATUTORY BODIES FAMILY PROTECTION FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

1. MAIN ACTIVITY OF THE FUND

The Statutory Bodies Family Protection Fund under the aegis of the Ministry of Local Government, situated at Galerie Remy Olier Building Port Louis, was established under the Statutory Bodies Family Protection Fund Act 1966 as a pension Fund in order to provide financial assistance to widows, widowers and orphans as principal activity.

2. STATUTORY REQUIREMENTS

The Finance and Audit Act has been amended and the Accounts for the period ended 30.06.2017 has been prepared for 18 months .and the comparative information is for 18 months.

3. ACCOUNTING POLICIES

The principal accounting policies adopted by the Fund are as follows:

(a) Basis of Preparation

The financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (IFRS), including International Accounting Standards (IAS) issued by the International Accounting Standards Board (IASB).

(b) Fair values

The Financial Statements has been prepared on a historical cost basis, except for

- (i) Quoted shares held for sale are stated at fair value
- (ii) Relevant Assets and Liabilities are stated at fair value
- (iii) The carrying amounts of the Fund's assets and liabilities reflect their nominal values.

(b) Functional and presentation currency

Items included in the financial statements are measured using Mauritian Rupees, the currency of the primary economic environment in which the Fund operates.

The financial statements are presented in Mauritian Rupees(Rs), all values are rounded to the nearest rupee.

(c) Revenue recognition

Revenue, which represents contribution received, has been accounted on an accrual basis.

(d) Expenditure

All expenses have been accounted on an accrual basis.

STATUTORY BODIES FAMILY PROTECTION FUND

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2018

(e) **Property, plant and equipment – Depreciation policy**

Plant and equipment are stated at cost less accumulated depreciation

- (i) Depreciation is calculated to write off the cost of plant and equipment on a straight line basis over the expected useful lives of such assets. All small value equipments amounting up to Rs5,000, would be depreciated at 50. The annual depreciation rates used for the purpose are as follows:-

<u>Item</u>	<u>Rates used %</u>
Furniture and fittings	10,20 and 50
Computer equipment	33.33
Software	20
Air conditioners	20

- (ii) No depreciation is charged in the year of acquisition and full depreciation is charged in the year of disposal.
- (iii) Fully depreciated assets still in use are retained in the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

(f) Impairment of tangible assets

At each date of statement of financial position, the Fund reviews the carrying amounts of its tangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the fund estimates the recoverable amount of the cash generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimated of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(g) Impairment of Intangible asstes

Intangible assets are non-monetary assets that cannot be seen, touched, or physically measured. Intangible assets are created through time and effort, and are identifiable as separate assets. They are classified into categories: either purchased vs. internally created intangible assets; and limited-life or indefinite -life intangible assets.

Intangible assets are amortized to reflect their consumption, expiry, obsolescence or other decline in value as a result of use or the passage of time, process which is similar to the depreciation process for tangible assets. Intangible assets can have either a limited or an indefinite useful life.

Intangible assets with a limited-life are amortized on a straight-line basis over their economic or legal life, based on whichever is shorter. Only intangible assets with an indefinite life are reassessed each year for impairment. The Fund does not have any such intangible asset.

STATUTORY BODIES FAMILY PROTECTION FUND

NOTES TO THE FINANCIAL STATEMENTS **for the year ended 30 June 2018**

(g) Impairment of Intangible Asset(cont...)

Limited-life intangibles are systemically amortized throughout the useful life of the intangible asset using either units of activity method or straight-line method. The amortization amount is equal to the difference between the intangible asset cost and the asset residual value. That calculated amount is credited to either the appropriate intangible asset account or accumulated amortization account.

(h) Investment

Investments represent current and long term fixed deposits held-to-maturity with financial institutions .

Interest Income is recorded at effective interest rates.

Quoted shares held for sale by the Fund are recognised at fair value
Dividend Income is recognised when the Fund receives the payment.

(i) Cash and cash equivalents

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

(j) Cash Flow

The indirect method has been adopted to report cash flows from operating activities.

(k) Financial instruments

Financial assets and liabilities are recognized in the statement of financial position when the fund has become party to the contractual provisions of the financial instruments. Financial instruments are initially measured at cost, which includes transaction costs. Subsequent to the initial recognition, these instruments are measured as set out below:

(i) Trade receivables

Trade receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

(ii) Other receivables

Other receivables are stated at their nominal value.

(iii) Cash and cash equivalents

Cash and cash equivalents comprise cash balances in hand and cash deposited with banks.

(iv) Creditors and payables

Creditors and payables are stated at their nominal value.

STATUTORY BODIES FAMILY PROTECTION FUND

NOTES TO THE FINANCIAL STATEMENTS **for the year ended 30 June 2018**

(I) Financial Risk Management

This is the practice of economic value of the Fund by using financial instruments to manage exposure to risk such as operation risk, credit risk, liquidity risk and market risk.

Credit Risk is risk of financial loss to the Fund if a customer fails to meet its contractual obligations and arises principally from Fund's receivables from customers i.e trade and other receivables. The Fund policy is to minimise such risk against personal guarantees, insurance cover and collateral securities for loans granted.

Liquidity Risk is the risk that the Fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Fund's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation.

Market Risk is the risk that changes in market prices such as interest rates and equity prices will affect the Fund's income or the value of its holdings of financial instrument.

Interest rate risk

The Interest Rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

The Fund policy of ensuring Interest Rate Risk exposure is at a fixed rate, i.e holding fixed rate long term instrument and lending at fixed rate.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2018

(m) Retirement benefit obligations

The Fund contributes to a pension scheme, which is a 'Defined Benefit' plan.
The assets of the Fund are held independently and administered by the Sicom Ltd.

The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each date of statement of financial position.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to unrecognised actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

(n) Provisions

Provisions are recognised when the fund has a present obligation as a result of past event, which it is probable, will result in an outflow of economic benefits that can reasonably be estimated.

(o) Related parties

For the purpose of these financial statements, parties are considered to be related to the fund if they have the ability, directly or indirectly, to control the fund or exercise significant influence over the fund in making financial and operating decisions, or where the fund is subject to common control or common significant influence. Related parties may be individuals or other entities.

STATUTORY BODIES FAMILY PROTECTION FUND

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2018

4. Property, plant and equipment

	Furniture and fittings	Air conditioners	Computer & equipment	Total
<u>COST</u>	Rs	Rs	Rs	Rs
Balance 01.07.2017	788,752	168,651	879,802	1,837,205
Additions	34,900.00	-	47,196	82,096.00
Balance 30.06.2018	823,652	168,651	926,998	1,919,301
<u>DEPRECIATION</u>				
Balance 01.07.2017	730,999	168,651	854,650	1,754,300
Charge for the year	62,832	-	53,475	116,307
Balance 30.06.2018	793,831	168,651	908,125	1,870,607
NET BOOK VALUE				
At 30.06.2017	57,753	-	25,152	82,905
At 30.06.2018	29,821	-	18,873	48,694

5. INTANGIBLE ASSETS

Intangible Assets amounting to Rs2,816,710 at cost acquired in year 2013 represents funding for the development of a new computerised system and has been amortized over a definite useful life.

INTANGIBLE ASSET	Software
<u>COST</u>	Rs
Balance 01.07.2017	2,714,705
Additions	-
Balance 30.06.2018	2,714,705
<u>AMORTISATION</u>	
Balance 01.01.2016	1,654,836
Charge for the year	542,941
Balance 30.06.2018	2,197,777
NET BOOK VALUE	
At 30.06.2017	1,059,869
At 30.06.2018	516,928

STATUTORY BODIES FAMILY PROTECTION FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

6. Investment

The Fund investment is represented by the fixed deposit held by financial institutions and shares. Schedule of investment comparative shown below:

		<u>30.06.2018</u>	<u>30.06.2018</u>	<u>30.06.2017</u>
				<i>18 months</i>
<u>Investment-Fixed Deposits</u>		Rs	Rs	Rs
		Current asset	Non-current asset	
Sicom Financial Services Limited			431,950,000	529,950,000
Mauritius Civil Service Mutual Aid Ass		171,000,000	30,000,000	196,000,000
MAUBANK			371,000,000	458,000,000
MHC		68,000,000	139,000,000	139,000,000.00
ABC		70,000,000		
Bank One		110,500,000		
		419,500,000	971,950,000	1,322,950,000

<u>Shares</u>	<u>No. of shares</u>	<u>Market price</u>	<u>30.06.2018</u>	<u>30.06.2017</u>
				<i>18 months</i>
		Rs	Rs	Rs
MCB Ltd	1,149,731	276	317,325,756	312,726,832
Fincorp Ltd	29,160	24	699,840	720,252
			318,025,596	313,447,084
			1,289,975,596	

7. Cash and cash equivalents

Petty cash	192	411
Cash at bank-current account	2,044,850	2,980,059
	2,045,042	2,980,470

8. Trade receivables

<u>30.06.2018</u>	<u>30.06.2017</u>
	<i>18 months</i>
Rs	Rs

Receivables represent contributions and interest due at year end.

Contributions receivable	2,176,519	2,166,579
Interest receivable (short term)	12,214,079	20,906,966
Trade receivables	14,390,598	23,073,545
Interest receivable (long term)	47,383,094	59,812,014
	61,773,692	82,885,559

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2018

9 Loan receivables
Car loan and advances

Personal loan
Car loan

<u>30.06.2018</u>	<u>30.06.2017</u>
	<u>18 months</u>
	(Restated)
Rs	Rs
34,793,018	34,086,521
1,012,900	1,377,616
35,805,918	35,464,137

Housing loan scheme

Municipality of Port Louis
Municipality of Beau Bassin/Rose Hill
Municipality of Quatre Bornes
Municipality of Vacoas/Phoenix
Municipality of Curepipe
Sugar Industry Labour Welfare Fund
Moka/Flacq District Council
Moka District Council
Flacq District Council
Pam/Riv du Rempart District Council
Pam District Council
Riv Du Rempart DC
Grand Port/Savanne District Council
Grand Port District Council
Savanne District Council
Town & Country Planning Board
Black River District Council
Statutory Bodies Family Protection Fund

1,597,886	1,902,284
586,939	518,151
63,107	126,984
259,077	615,702
192,640	105,661
246,900	183,710
-	390,095
126,337	
485,382	
-	(83,362)
92,672	
366,203	
-	519,638
381,566	
651,264	
251,924	200,433
146,810	468,545
286,271	233,276
5,734,978	5,181,117
41,540,896	40,645,254

10. Other receivables

Security deposit
Pension debtors

2,315	2,315
	-
2,315	2,315

STATUTORY BODIES FAMILY PROTECTION FUND

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30.06.2018

11. Figures for IAS 19 adoption

Retirement benefit obligations

Amounts recognised in balance sheet at end of year:

Defined benefit obligation

Fair value of plan assets

**Liability recognised in
balance sheet at end of year**

Amounts recognised in income statement:

Service cost:

Current service cost

(Employee contributions)

Fund expenses

Net interest expense/income

P & L Charge

Remeasurement:

Liability(gain)/loss

Assets (gain)/loss

Total other comprehensive income(OC)recognised

Total

Movements in liability recognised in balance sheet:

At start of year

Amount recognised in P & L

(Actuarial reserves transferred in)

(Contributions paid by employer)

Amount recognised in OCI

At end of year

Actual return on plan assets:

Main actuarial assumptions at end of period:

The plan is a defined benefit arrangement for the employees funded by the Employer at 12% and the Employee at 6%. The assets of the funded plan are held independently and administered by the State Insurance Company of Mauritius Ltd.

<i>Year Ended</i> <i>30.06.18</i>	<i>18 month period</i> <i>ended 30.06.17</i>
<u>2018</u> Rs	<u>2017</u> Rs
25,001,375	24,733,066
-9,223,121	-8,752,229
15,778,254	15,980,837
561,245	847,599
-251,350	-375,424
13,816	23,719
1,087,493	1,269,140
1,411,204	1,765,034
-961,830	2,305,589
-149,257	84,009
-1,111,087	2,389,598
300,117	4,154,632
15,980,837	12,577,053
1,411,204	1,765,034
	0
-502,700	-750,848
-1,111,087	2,389,598
15,778,254	15,980,837
	680,435

STATUTORY BODIES FAMILY PROTECTION FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

Figures for IAS 19 adoption

Reconciliation of the present value of defined benefit obligation

Present value of obligation at start of period
Current service cost
Interest cost
Benefits paid
Liability (gain)/loss
Present value of obligation at end of period

Year Ended 30.06.18	18 month period ended 30.06.17
2018	2017
Rs	Rs
24,733,066	21,468,755
561,245	847,599
1,669,482	2,093,204
(1,000,588)	(1,982,081)
(961,830)	2,305,589
25,001,375	24,733,066

Reconciliation of fair value of plan assets

Fair value of plan assets at start of period
Expected return on plan assets
Employer contributions
Employee contributions
Actuarial reserves transferred in
Benefits paid + other outgo
Asset gain/(loss)
Fair value of plan assets at end of period

8,752,229	8,891,702
581,989	824,064
502,700	750,848
251,350	375,424
-	-
(1,014,404)	(2,005,800)
149,257	(84,009)
9,223,121	8,752,229

Distribution of plan assets at end of period

Percentage of assets at end of period
Government securities and cash
Loans
Local equities
Overseas bonds and equities
Property
Total

30 June 2018	30 June 2017
59.5%	56.6%
3.7%	4.4%
14.6%	15.8%
21.6%	22.6%
0.6%	0.6%
100.0%	100.0%

Additional disclosure on assets issued or used by the reporting entity

Assets held in the entity's own financial instruments
Property occupied by the entity
Other assets used by the entity

30 June 2018	30 June 2017
(%)	(%)
0	0
0	0
0	0

Components of the amount recognised in OCI

Year
Currency
Asset experience gain/(loss) during the period
Liability experience gain/(loss) during the period

30 June 2018	30 June 2017
Rs	Rs
149,257	(84,009)
961,830	(2,305,589)
1,111,087	(2,389,598)

Year

Expected employer contributions
(Estimate to be reviewed by Statutory Bodies Family Protection Fund)

2018/2019

526,317

Weighted average duration of the defined benefit obligation
(Calculated as a % change in PV on liabilities for a 1% change in discount rate)

13 years

STATUTORY BODIES FAMILY PROTECTION FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

Figures for IAS 19 adoption

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

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

	30.06.2018	30.06.17
	<u>18 months</u>	
Discount rate	6.75%	7.50%
Future salary increases	4.00%	5.00%
Future pension increases	3.00%	3.00%
Mortality before retirement	A 6770 Ultimate Tables PA (90) Tables	
Mortality in retirement	rated down by 2 years PA(90) Tables	
Retirement age	As per Second Scheduled II in the Statutory Bodies Pension Funds Act	

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

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

- If the discount rate would be 100 basis points (one percent) higher (lower), the defined benefit obligation would decrease by Rs3 M (increase by Rs 3.7 M) if all other assumptions were held unchanged.
- If the expected salary growth would increase (decrease) by 1%, the defined benefit obligation would increase by Rs 1.4 M (decrease by Rs 1.2M) if all assumptions were held unchanged.
- If life expectancy would increase (decrease) by one year, the defined benefit obligation would increase by Rs 0.7 M (decrease by Rs 0.7 M) if all assumptions were held unchanged.

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



STATUTORY BODIES FAMILY PROTECTION FUND

NOTES TO THE FINANCIAL STATEMENTS **for the year ended 30 June 2018**

	<u>30.06.2018</u>	<u>30.06.2017</u> <i>(18 months)</i>
	Rs	Rs
12. Creditors and payables		
Sundry creditors – pension payable	2,200,533	965,323
Expenses accrued -personal loan expenses	440,090	346,295
Actuarial fees	384,000	288,000
Audit fees	380,000	100,000
Advance housing/personal loan		221,593
Board Fees	6,493	-
Electricity, telephone& Rent	25,554	17,687
Suspense account	-	40,548
	<u>3,436,670</u>	<u>1,979,446</u>
13. Employee benefits		
Short term employee benefits		
Passage benefits	244,105	393,538
Sick leave refund	-	-
	<u>244,105</u>	<u>393,538</u>
Long term employee benefits		
Bank vacation leave	1,765,745	1,759,437
Bank sick leave	1,748,226	1,695,015
	<u>3,513,971</u>	<u>3,454,452</u>
14. Revenue		
Revenue represents contributions received from the councils and Investment income.		
Further to the amendments of the SBFPFund Act(Dec 2012),the Fund no longer receives contributions in respect of employees joining the councils with effect from Jan 2013.		
This leads to a relative fall in revenue and the number of Associates will be phasing out gradually.		
Investment income represents interest received from Fixed Deposits and dividend received from quoted shares.		

STATUTORY BODIES FAMILY PROTECTION FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

14. Revenue		<u>30.06.2018</u>	<u>30.06.2017</u> (18 months)
		Rs	Rs
Contributions			
Municipality of Port Louis	Employee	5,051,435	8,853,810
	Employer	6,745,376	9,547,593
Municipality of BBassin/RHill	Employee	3,444,081	5,316,375
	Employer	3,503,665	5,392,673
Municipality of Quatre Bornes	Employee	3,158,437	4,879,703
	Employer	3,360,944	5,059,235
Municipality of Vacoas/Phoenix	Employee	3,382,437	5,184,134
	Employer	3,758,857	5,705,544
Municipality of Curepipe	Employee	1,945,926	3,192,647
	Employer	2,340,329	4,009,792
Sugar Industry Labour Welfare Fund	Employee	3,447,398	5,671,611
	Employer	3,782,474	5,743,559
Moka/Flacq District Council	Employee	-	3,596,558
	Employer	-	3,597,697
Moka District Council	Employee	936,299	-
	Employer	1,104,851	-
Flacq District Council	Employee	1,356,509	-
	Employer	1,353,111	-
Pam/Riv du Rempart D Council	Employee	-	3,664,044
	Employer	-	3,944,277
Pam District Council	Employee	1,484,333	-
	Employer	1,302,623	-
Riv du Rempart D Council	Employee	1,355,576	-
	Employer	1,161,746	-
Grand Port/Savanne D Council	Employee	-	4,067,417
	Employer	-	4,088,030
Grand Port District Council	Employee	1,574,013	-
	Employer	1,583,923	-
Savanne District Council	Employee	1,129,074	-
	Employer	1,129,074	-
Black River District Council	Employee	1,142,794	1,803,005
	Employer	1,156,250	1,808,199
Town and Country Planning Board	Employee	85,015	131,354
	Employer	85,015	131,354
SBFP Fund	Employee	85,438	125,018
	Employer	85,438	125,018
Total Contribution Received		62,032,441	95,638,647

STATUTORY BODIES FAMILY PROTECTION FUND

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2018

14. Revenue

Revenue from investment

Revenue from investment comprises of interest received from investment on fixed deposit and dividend from shares.

Investment interests

	<u>30.06.2018</u>	<u>30.06.2017</u> (18 months)
	Rs	Rs
Sicom Financial Services Limited	26,789,530	48,064,867
Mauritius Civil Service Mutual Aid Associations	5,080,269	15,602,975
MAUBANK	19,288,157	35,836,628
MHC	9,574,110	1,222,175
ABC Banking Corporation	2,481,164	-
Bank One	1,902,586	-

Dividend from shares

MCB Ltd	10,635,012	10,060,146
Fincorp Ltd	17,496	17,496
Total Investment Income	75,768,324	110,804,287

Total Reveunue

137,800,765	206,442,934
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15. Other income

Interest on bank account
Interest on car loan
Interest on housing loan
Interest on personal loan
Miscellaneous revenue

<u>30.06.2018</u>	<u>30.06.2017</u>
	<i>(18 months)</i>
Rs	Rs
13,289	89,735
50,967	91,368
625,716	390,360
2,829,428	2,358,929
100	-
3,519,499	2,930,392

STATUTORY BODIES FAMILY PROTECTION FUND

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2018

16.	Surplus from operations	<u>30.06.2018</u>	<u>30.06.2017</u>
			<i>18 months</i>
	Surplus of income for the year is arrived at after charging	Rs	Rs
	Staff costs	7,344,318	10,390,328
	Administrative expenses	2,288,323	3,095,317
		<u>9,632,642</u>	<u>13,485,645</u>
	No. of employees at end of year	<u>10</u>	<u>9</u>
	Staff cost includes:	<u>30.06.2018</u>	<u>30.06.2017</u>
			<i>18 months</i>
		Rs	Rs
	Salaries	5,127,526	7,426,118
	Travelling	473,280	704,200
	National Savings Fund	47,920	67,830
	Passage benefits	189,275	301,697
	Fund's staff contribution	85,438	125,018
	Retirement benefit obligation	908,502	1,014,186
	Staff pension	512,377	751,279
	Other pension cost	-	-
		<u>7,344,318</u>	<u>10,390,328</u>
17.	Administrative expenses	<u>30.06.2018</u>	<u>30.06.2017</u>
			<i>(18 months)</i>
		Rs	Rs
	Printing and stationery	68,729	109,346
	Electricity	179,662	266,144
	Telephone	51,056	78,004
	Rent	99,073	148,610
	General expenses	187,130	193,131
	Insurance	1,755	-
	Training	16,655	29,017
	Board fees	454,562	685,943
	Supervisor of works fees	-	-
	Legal fees	51,750	46,000
	Pension of retired Secretary	73,427	89,506
	Auditor's remuneration	280,000	120,000
	Actuaries' fees	96,000	96,000
	Depreciation	659,248	1,193,655
	Bank charges	28,728	39,961
	w/off suspense A/C	40,548	-
		<u>2,288,323</u>	<u>3,095,317</u>

STATUTORY BODIES FAMILY PROTECTION FUND

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2018

	<u>30.06.2018</u>	<u>30.06.2017</u> <i>(18 months)</i>
	Rs	Rs
18. Statutory contributions to management expenses		
Opening accruals	(2,166,579)	(1,386,679)
Contributions received	62,032,441	95,638,648
Closing accruals	2,176,519	2,166,579
	<u>62,042,381</u>	<u>96,418,548</u>
 Statutory contributions to management expenses is 20% of contributions received.	 12,408,476	 19,283,710

19. Related party transactions

(i) Remuneration to management

Key management are persons having authority and responsibility for planning, directing and controlling the activities of the Fund, as per IAS 24 - Related Party Disclosures.

During the year, the total remuneration of the key management was as follows:-

	<u>30.06.2018</u>	<u>30.06.2017</u> <i>18 months</i>
	Rs	Rs
Chairman/board fees	454,562	685,943
Salary Manager	1,239,680	1,235,000
	<u>1,694,242</u>	<u>1,920,943</u>

Monthly Rate

Chairman fees	26,880	343,296	382,397
Board/sub committee fees			
Board member fee	850	111,266	208,649
Secretary/board	1,165		
Sub committee member	775		75,929
Chairman sub committee	1,140		
Secretary/ sub committee	585		
Travelling	200		18,968
		<u>454,562</u>	<u>685,943</u>

STATUTORY BODIES FAMILY PROTECTION FUND

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2018

20. Car loan

Car loans are refundable in 60 instalments, bear interest at the rate of 4% p.a

	<u>30.06.2018</u>	<u>30.06.2017</u> <i>18 months</i>
	Rs	Rs
Opening balance	1,377,616	1,910,336
Loan granted	-	-
Loan refunded	364,716	532,720
Closing balance	<u>1,012,900</u>	<u>1,377,616</u>
 Loan interest received	 50,968	 39,695.00

21 Personal loan

Personal loan are refundable in 3 years, bear interest at the rate of 9% p.a

	<u>30.06.2018</u> <i>(Restated)</i>	<u>30.06.2017</u> <i>18 months</i>
Opening balance	31,273,861	24,769,474
Loan granted	22,369,797	28,987,172
Loan refunded	(20,309,897)	(26,259,671)
Loan Adjs	1,429,257	
Closing balance	<u>34,763,018</u>	<u>27,496,975</u>
 Loan interest received	 <u>2,829,428</u>	 <u>2,358,929</u>

22. Revaluation reserve	<u>No. of shares</u>	<u>Market price</u> Rs	<u>30.06.2018</u>	<u>30.06.2017</u> <i>18 months</i>	Gain/(Loss) Rs
MCB shares	1,149,731	276	317,325,756	312,726,832	4,598,924
Fincorp Ltd	29,160	24	699,840	720,252	(20,412)
			<u>318,025,596</u>	<u>313,447,084</u>	<u>4,578,512</u>
Gain					<u>4,578,512</u>

23 Restated figures

Loan receivables and retained earnings for the year ended 30.06.2017 have been restated. An amount of Rs6,589,544 represents adjustments of housing and personal loan balances and interest arising due to different method of interest computation used over previous years.

