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REPORT OF THE  
**DIRECTOR OF AUDIT**

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**On the Financial Statements  
of the Statutory Bodies Family Protection Fund  
for the year ended 30 June 2020**

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**NATIONAL AUDIT OFFICE**

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# NATIONAL AUDIT OFFICE

## 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 Statutory Bodies Family Protection Fund, which comprise the statement of financial position as at 30 June 2020 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year 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 2020, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

#### 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.

#### Key Audit Matters

Key Audit Matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have determined that there are no key audit matters to communicate in my report.



## **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 governance are responsible of 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.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or, when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on Other Legal and Regulatory Requirements**

### ***Management's Responsibilities 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 operations of the Statutory Bodies Family Protection Fund are conducted in accordance with the provisions of laws and regulations, including compliance with the provisions of laws and regulations that determine the reported amounts and disclosures in the entity's financial statements.



### ***Auditor's Responsibilities***

In addition to the responsibility to express an opinion on the financial statements described above, I am also responsible to report to the Board whether:

- (a) I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of the audit;
- (b) 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; and
- (c) satisfactory management measures have been taken to ensure that resources are procured economically and utilised efficiently and effectively.

I performed procedures, including the assessment of the risks of material non-compliance, to obtain audit evidence to discharge the above responsibilities.

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

### ***Statutory Bodies Family Protection Fund Act***

#### ***Opinion on Compliance***

I have obtained all information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit.

Based on my examination of the records of Statutory Bodies Family Protection Fund, nothing has come to my attention that causes me to believe that:

- (a) the activities, financial transactions and information reflected in the financial statements are, in all material respects, not in compliance with the Statutory Bodies Family Protection Fund Act; and
- (b) satisfactory management measures have not been taken to ensure that resources are procured economically and utilised efficiently and effectively.



**C. ROMOOAH**  
Director of Audit

National Audit Office  
Level 14,  
Air Mauritius Centre  
**PORT LOUIS**

2 December 2021

# ANNUAL REPORT

Year ended 30<sup>th</sup> June 2020

(Amended)

## **STATUTORY BODIES FAMILY PROTECTION FUND**

*Address: Galerie Remy Oilier Building  
port Louis  
Email: [sbfpfund@yahoo.com](mailto:sbfpfund@yahoo.com)  
Tel :2120521*





# **STATUTORY BODIES FAMILY PROTECTION FUND**

## **Annual Report for the Year 2019/2020**

### **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. Mrs Devi Anandi Chand Rye SEEWOORUTHUN**

Mrs D C A R Seewooruthun is the Chairperson of the Board since December 2019. She is the Senior Chief Executive of the Ministry of Local Government and Disaster Risk Management.

### **2. Mr Mahfooz Moussa CADERSAIB**

Mr M M Cader Saib is the Lord Mayor of the Municipal Council of Port Louis and is the representative of Local Government Urban Authorities.

### **3. Mr. Prembhoodas ELLAYAH**

Mr P Ellayah is the President of the Riviere Du Rempart District Council and is the representative of the Association of District Councils.

### **4. Mr Jaylall MULLOO**

Mr J Mulloo is the Chief Executive at the Municipal Council of Port Louis and is the representative of Local Government Urban Authorities.

### **5. Mr Dheeraj GOPAUL**

Mr D Gopaul is the Chief Executive at the District Council of Riviere Du Rempart and is the representative of the Association of District Councils

### **6. Mrs Beedwantee RAMDOWAR**

Mrs B. Ramdowar is the secretary of the Sugar Industry Labour Welfare Fund Staff and Employees Union. She is employed at the Sugar Industry Labour Welfare Fund. She has been a member of the SBFPFund Board previously.

### **7. Mr Ghanshyam BHAUGEEROTHEE**

Mr G Bhaugeerothee is employed at the Municipal Council of Curepipe. He is the president of Municipality of Curepipe Workers Union and representative of Local Government Employees Association. He has been a member of the SBFPFund Board previously.

### **8. Mr Vijay Anand KALLOOA**

Mr V Kallooa is employed at Riviere Du Rempart District Council. He is the Secretary of the Local Government Employees Association.

### **9. Mr Lindsay Francois WILSON**

Mr L F Wilson is the president of Local Authorities Employees Union. He is employed at the Municipal Council of Quatre Bornes.



## **Profile of Senior Management**

### **Ms Bindoomatee RAMNAWAZ -Manager**

Ms B.Ramnawaz is a Fellow Chartered Certified Accountant with considerable expertise in Accounting and Auditing and holds a MBA in Financial Services from the University of London School of Business and Finance accredited by the University of East London. 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 in different Ministries/Department, National Audit Office and Local Authority.

### **Corporate Information:**

**Body:** Statutory Bodies Family Protection Fund

**Registered Office:** Galerie Remy Ollier Building Port Louis.

### **Board of Directors**

**The Board of Directors for the period July 2019 to September 2019 was constituted as follows:**

Mr M.S F JOOMUN- Chairman  
 Ms E ANAMALAY- Member  
 Mr V SEEPARSAD-Member  
 Mr S PURGUS -Member  
 Mr S TEELUCK-Member  
 Mr H.M MAMODE ICKRAM-Member  
 Mrs B RAMDOWAR-Member  
 Mr C TENGUR-Member  
 Mr S SUNGKUR-Member

**The Board of Directors for the period September 2019 to June 2020 was constituted as follows:**

Mr M.S F JOOMUN- Chairman as at 8<sup>th</sup> December 2019  
 Mrs Devi Chand Anandi Rye SEEWOORUTHUN- Chairperson W.E F 9<sup>th</sup> December 2019  
 Mr M.M. CADERSAIB-Member  
 Mr J MULLOO-Member  
 Mr P ELLAYAH-Member  
 Mrs S COONJAN-JUGROOP-Member as at 15<sup>th</sup> January 2020  
 Mr D GOPAUL-Member W.E.F 16<sup>TH</sup> January 2020  
 Mr G BHAUGEEROTHEE-Member  
 Mrs B RAMDOWAR-Member  
 Mr V KALOOA -Member  
 Mr L F WILSON-Member

### **Staff Committee 2019/20 composed of:**

Mr J MULLOO -Chairman  
 Mr M M CADERSAIB-Member  
 Mrs B RAMDOWAR-Member  
 Mr G BHAUGEEROTHEE -Member

### **Audit Committee 2019/20 composed of:**

Mr D GOPAUL-Chairman  
 Mr P ELLAYAH- Member  
 Mr L F WILSON -Member  
 Mr V KALOOA-Member

**Legal Advisor:** Me Jean Didier Kersley PURSUN, Attorney at Law since year 2015

**Auditor:** National Audit Office

## Corporate Governance Report:

### Compliance Statement:

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

### Board Committees 2019/2020

Number of Board Meetings held during the year: Four  
 Number of Audit Committees held during the year: one  
 Number of Staff Committees held during the year: None

### Attendance of Board Members:

Name	<u>Board Meeting Number of Presences</u>	<u>Staff Com Number of Presences</u>	<u>Audit Com Number of Presences</u>	<u>Number of Absences</u>
<b><u>From July to September 2019</u></b>				
Mr M.S.F. JOOMUN	1	-	-	-
Ms E ANAMALAY	-	-	-	1
Mr V SEEPARSAD	-	-	-	1
Mr S PURGUS	-	-	-	1
Mr S TEELUCK	1	-	-	-
Mr H.M MAMODE ICKRAM	1	-	-	-
Mrs B RAMDOWAR	1	-	-	-
Mr C TENGUR	1	-	-	-
Mr S SUNGKUR	1	-	-	-
<b><u>From September 2019 to June 2020</u></b>				
Mr M.S F JOOMUN	1	-	-	-
(Mr Joomun was replaced by Mrs Seewooruthun)				
Mrs D C A Rye SEEWOORUTHUN	2	-	-	-
Mr M.M. CADERSAIB	3	-	-	-
Mr J MULLOO	3	-	-	-
Mrs S COONJAN-JUGROOP	1	-	-	-
(Mrs Coonjan was replaced by Mr Gopaul)				
Mr D GOPAUL	-	-	1	2
Mr V KALOOA	3	-	1	-
Mrs B RAMDOWAR	3	-	-	-
Mr G BHAUGEEROTHEE	3	-	-	-
Mr L F WILSON	3	-	1	-
Mr P ELLAYAH	-	-	-	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 during the year 2019/20.

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 and should be held at least once a year. The Audit Committee should be held at least once a quarter.

**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 is 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.

#### **(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 SBFPPFund 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**

The Fund is expecting lower return from investments in the foreseeable future with current market conditions.

The Fund's Personal Loan Scheme is expecting to operate with lower returns and to help financially a large number of associates.

(a) With the recent decision of the Government requesting companies to refrain from distributing dividends, the Fund will not receive dividends on shares of MCB Ltd and Fincorp Ltd. This will have a significant impact on the treasury and cash flow of the Fund. The following table summarizes the dividends received during the past two years to allow an assessment of the amount involved:

<u>Dividend from Shares</u>	<u>30.06.2020</u> Rs	<u>30.06.2019</u> Rs
MCB Ltd	14,946,503	11,497,310
Fincorp Ltd	17,496	17,496
<b>Total</b>	<b><u>14,963,999</u></b>	<b><u>11,514,806</u></b>

Therefore, on an average basis, dividend income to the tune of Rs 15 million will be foregone.

**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 current 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.

**(a) Pandemic Conditions**

The Fund has complied with the requirements of the various circulars issued by the Government in order to mitigate the impacts of the prevailing pandemic conditions in order to protect the Staff of the Fund.

The Fund will also put in place proper working arrangements in order to allow Staff to work safely from home, if required.

Apart from the policy decision on the distribution of dividends, the pandemic conditions have not impacted that much on the operations 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 2020, there were 5033 working associates and 413 retired associates under the Family Protection Scheme compared to 5684 active associates in 2018/19.

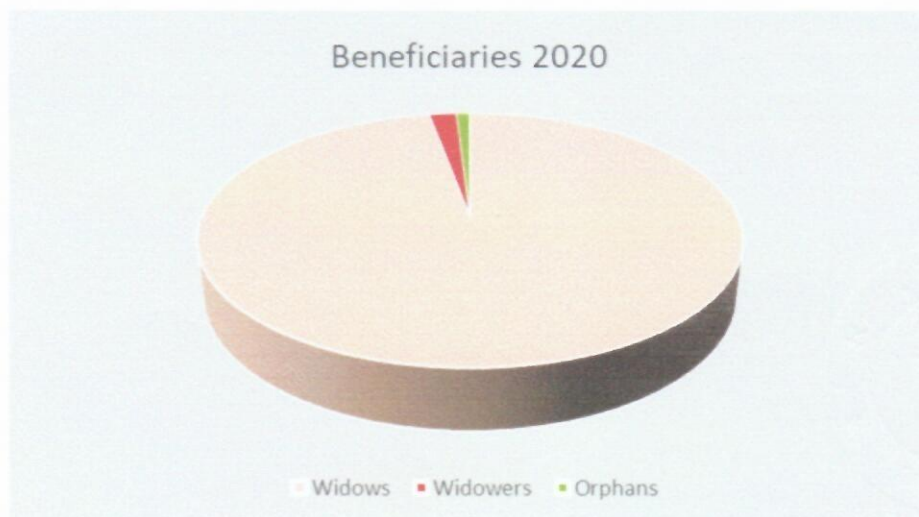
<u>Councils</u>	<u>No of Associates</u>	<u>Retired Associates</u>	<u>Total</u>
Port Louis	980	96	1076
Beau Bassin/Rose Hill	569	19	588
Quatre Bornes	509	52	561
Vacoas/Phoenix	605	70	675
Curepipe	280	69	349
SILWFund	610	73	683
Moka	171	-	171
Flacq	221	8	229
Pamplemousses	217	4	221
Riviere du Rempart	212	16	228
Grand Port	271	3	274
Savanne	188	3	191
Black River	181	-	181
Town & Country PB	9	-	9
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 2019/20 was as follows:

	<u>30.06.2019</u>	<u>30.06.2020</u>
Widows	1157	1118
Widowers	22	22
Orphans	11	11
	<b>1190</b>	<b>1151</b>



New pensioners during the year were as follows: -

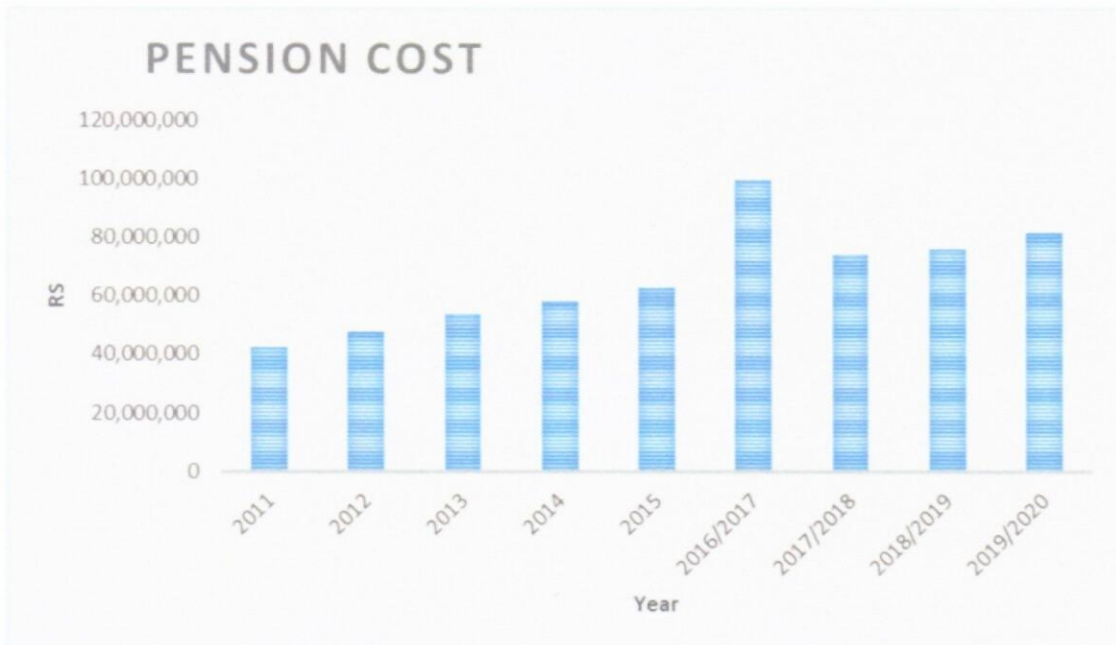
<b>Widows with orphan</b>	<b>44</b>
<b>Widowers</b>	<b>2</b>
<b>Orphan only</b>	<b>2</b>

Total pensions paid for the year ended 2019/2020 amounted to **Rs81,564,234/-** compared to **Rs75,911,356/--** for the year ended 2018/2019, representing an increase of approximately 7.4%. 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 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>
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
2018/19	75,911,356
2019/20	81,564,234





### 3. Refund of Contribution

During the year 2019/2020, 85 associates obtained a full refund of contributions amounting to **Rs9,476,286/-**, whilst in service, on grounds of age limit, dismissal and resignation and others. During 2018/19, the amount refunded was of the order of **Rs13,630,777**.

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

### 4. Membership Contributions

Contributions received from associates and their employers amounted to **Rs59,970,498/-** for the year ended 2019/20 compared to **Rs60,789,876/-** for year ended 2018/19. There is a slight decrease representing approximately **1.35%** is mainly attributable to an increase in refundable contribution.

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 over the coming years.

### 5. Investment

Investment in financial institutions has decreased and stood at around **Rs1,663 million** as at 30 June 2020 compared to **Rs1,724 million** for the year ended 2018/2019 representing a fall of 3.5% which is justified by the fall in market price of shares held by the Fund.

All deposits have been placed in Banking / 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 increased from **Rs66,263,456/ to Rs67,631,791/**. 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 are no longer competitive.

### 6. (i) Housing Loan Scheme

The Fund has resumed its housing loan activities since 2010. It is also worth noting that there is no demand for Housing Loan over the last 10 years.

### (ii) Personal Loan

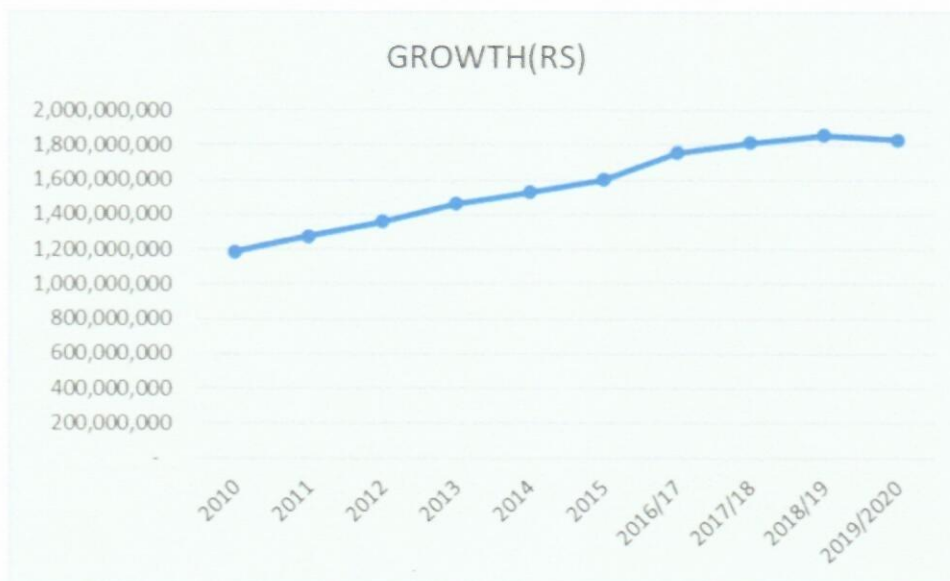
In the year 2011, the Fund has launched a Personal Loan Scheme of up to a maximum of **Rs 100,000** per associate refundable over a period of 3 years. During the year 2019/20, the Fund has acknowledged around 227 applicants of personal loan, amounting to **around Rs 16.5m**. The amount of interest yielded 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 surplus in income during the year however followed by a comprehensive loss for the period. The loss can be explained by the actuarial loss arising while making provision for a defined benefit plan, decreasing trend of interest rates/ Repo rates, the refund of contribution to retired associates with compound interest at 4% which is beyond the ceiling of Repo Rate,

and a considerable fall in the market price of shares. Despite of the continuous global recession, the Fund has achieved a recorded surplus of income of **Rs29.6 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 amount of 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 Chairperson 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

31. 10.2021

MB

***STATUTORY BODIES FAMILY  
PROTECTION FUND  
FINANCIAL STATEMENTS***

***FOR THE YEAR ENDED  
30 JUNE 2020***




# STATUTORY BODIES FAMILY PROTECTION FUND

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	<u>Notes</u>	<u>30.06.2020</u>	<u>30.06.2019</u>
<b>Assets</b>			
<b>Non-current assets</b>			
		Rs	Rs
Property, Plant and Equipment	4	34,334	66,619
Intangible Assets	5	50,490	147,154
Investment	7	1,485,253,285	1,724,442,511
Trade receivables	8	92,880,857	65,536,319
Loan receivables	9	16,821,968	15,308,123
		<b>1,595,040,934</b>	<b>1,805,500,726</b>
<b>Current assets</b>			
Cash and cash equivalents	6	14,039,324	5,821,616
Investment	7	178,000,000	-
Trade receivables	8	17,212,057	16,150,193
Loan receivables	9	16,767,011	23,620,944
Other receivables	10	2,315	2,315
		<b>226,020,707</b>	<b>45,595,068</b>
<b>Total assets</b>		<b>1,821,061,641</b>	<b>1,851,095,794</b>
<b>Equity</b>			
<b>Reserves</b>			
Retained earnings		1,517,352,133	1,498,229,453
Revaluation reserve		268,595,645	329,784,871
<b>Total equity</b>		<b>1,785,947,778</b>	<b>1,828,014,324</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Retirement benefits obligations	11	28,409,747	16,632,161
Long term employee benefits	13	4,038,989	3,720,159
		<b>32,448,736</b>	<b>20,352,320</b>
<b>Current liabilities</b>			
Creditors and payables	12	2,433,595	2,237,063
Short term employee benefits	13	231,533	492,087
		<b>2,665,128</b>	<b>2,729,150</b>
<b>Total liabilities</b>		<b>35,113,864</b>	<b>23,081,470</b>
<b>Total equity and liabilities</b>		<b>1,821,061,641</b>	<b>1,851,095,794</b>

The Amended Financial Statements were approved by the Statutory Bodies Family Protection Fund on 17.11.2021 signed on their behalf:

  
Devi Chand Anandi Rye SEEWORUTHUN  
**CHAIRPERSON**

  
Mr Shyam TEELUCK  
**BOARD MEMBER**

*The notes on pages 5 to 28 form an integral part of these financial statements.*

## STATUTORY BODIES FAMILY PROTECTION FUND

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	<u>Notes</u>	<u>30.06.2020</u>	<u>30.06.2019</u>
<b>Revenue</b>		<b>Rs</b>	<b>Rs</b>
Contribution	14	59,970,498	60,789,876
Investment Income	14	67,631,791	66,263,456
Other income	15	3,195,563	3,346,928
		<b>130,797,852</b>	<b>130,400,260</b>
<b>Less</b>			
Pensions		81,564,234	75,911,356
Staff costs	16	8,281,646	8,131,748
Administrative expenses	17	1,863,123	2,274,473
Refund of contribution		9,476,287	13,630,777
		<b>101,185,290</b>	<b>99,948,354</b>
<b>Surplus of income</b>		<b>29,612,562</b>	<b>30,451,906</b>
<b>Other comprehensive income/(expense):</b>			
Actuarial Gain(losses) on defined benefits plans	11	(10,489,882)	14,193
		19,122,680	30,466,099
Gain/(loss) on revaluation of investment	22	(61,189,226)	15,081,888
<b>Total comprehensive income/(loss) for the period</b>		<b>(42,066,546)</b>	<b>45,547,987</b>

*The notes on pages 5 to 28 form an integral part of these financial statements.*



# STATUTORY BODIES FAMILY PROTECTION FUND

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	Notes	<u>Retained</u> <u>Earnings</u> Rs	<u>Revaluation</u> <u>Reserve</u> Rs	<u>Total</u> Rs
Balance as at 01 July 2018		1,467,763,353	314,817,956	1,782,581,309
Revaluation surplus/(loss)			14,966,915	14,966,915
Surplus of income for the year 2019		28,669,698		28,669,698
Surplus on management expenses		1,782,209		1,782,209
Actuarial gain(losses) on defined benefit plans		14,193		14,193
Balance as at 30.06.19		1,498,229,453	329,784,871	1,828,014,324
Surplus of income for the year ended 30.06.2020		29,612,562		29,612,562
Surplus on management expenses account for year ended 30.06.2020				
Revaluation surplus/(loss) for the year 2020	22		(61,189,226)	(61,189,226)
Actuarial Gain (losses) on defined benefits plans	11	(10,489,882)		(10,489,882)
<b>Balance as at 30.06.2020</b>		<u>1,517,352,133</u>	<u>268,595,645</u>	<u>1,785,947,778</u>

*The notes on pages 5 to 28 form an integral part of these financial statements.*

**STATUTORY BODIES FAMILY PROTECTION FUND****STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2020**

	<u>30.06.2020</u>	<u>30.06.2019</u>
	Rs	Rs
Cash generated flows from operations (Note 24.1)	(37,633,472)	(35,648,699)
<b>Investing activities</b>		
Dividend received	14,963,999	11,514,806
Interest received	25,557,911	25,354,178
Purchase of fixed assets	(10,817)	(55,540)
<b>Net cash from investing activities</b>	<b>40,511,093</b>	<b>36,813,444</b>
<b>Financing activities</b>		
New loan granted	(16,635,000)	(21,221,620)
Loan refunded	21,975,087	23,833,449
<b>Net cash from financing activities</b>	<b>5,340,087</b>	<b>2,611,829</b>
<b>Increase in cash and cash equivalents</b>	<b>8,217,708</b>	<b>3,776,574</b>
<b>Movement in cash and cash equivalents</b>		
	Rs	Rs
As at 01 July 2019	5,821,616	2,045,042
Increase	8,217,708	3,776,574
<b>As at 30 June 2020 (Note 24.3)</b>	<b>14,039,324</b>	<b>5,821,616</b>



# STATUTORY BODIES FAMILY PROTECTION FUND

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2020

#### **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.

#### **STATUTORY REQUIREMENTS**

The Accounts have been prepared taking into consideration the SBFPF act 1965 (amended) 1993 and other regulations (loans) which came into operations.

#### **ACCOUNTING POLICIES**

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

##### **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).

##### **Fair values**

The Financial Statements has been prepared on a historical cost basis, except for Quoted shares held for sale are stated at fair value

Relevant Assets and Liabilities are stated at fair value

The carrying amounts of the Fund's assets and liabilities reflect their nominal

##### **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.

##### **Revenue recognition**

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

##### **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 2020

#### (f) ADOPTION OF NEW AND AMENDED IFRS

##### **New and amended standards that are effective for the current year but which do not have major impact on the financial statements**

In the current year, the following revised standards issued by IASB became mandatory for the first time for the financial year beginning on 1 July 2019.

IFRS 9 Prepayments Features with Negative Compensation (Amendments to IFRS 9)

IFRS 16 Leases

IAS 19 Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)

IAS 28 Long Term Interest in Associates and Joint Ventures (amendments to IAS 28)

IFRIC 23 Uncertainty over Income Tax Treatment

Annual Improvements to IFRS 2015-2017 cycle - IAS 12, IAS 23, IFRS 3, and IFRS 11

##### **Standards, amendments to existing standards and interpretations that are not yet effective and not adopted by the Fund as their impact on the financial statements are yet to be assessed**

IFRS 3 Definition of a Business (Amendments to IFRS 3)

IAS 1 and IAS 8 Definition of Material (Amendments to IAS 1 and IAS 8)

IFRS 17 Insurance contracts

IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform

IFRS 15 Revenue from Contracts with Customers

Where relevant, the Fund is still evaluating the effect of these Standards, amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements. The preparation of financial statements in conformity with the International Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements are disclosed in note 8.

#### (g) CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### (i) Critical accounting estimates and assumptions

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

##### iii) Impairment of available-for-sale financial assets

The Fund follows the guidance of IAS 39 on determining when an investment is other-than-temporarily impaired. This determination requires significant judgement. In making this judgement, the Fund evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.



# STATUTORY BODIES FAMILY PROTECTION FUND

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2020

#### (g) **CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS ( cont.)**

##### (iii) **Pension benefits**

The present value of the pension obligations depend on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Fund determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Fund considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension obligation.

##### (iv) **Revaluation of property, plant and equipment**

The Fund measures property, plant and equipment, investment property and intangible assets at revalued amounts with changes in fair value being recognised in other comprehensive income. Independent valuation specialists were engaged to determine fair values.

##### (v) **Asset lives and residual values**

Property, plant and equipment are depreciated over its useful life taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors in reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extent of current profits and losses on the disposal of similar assets.

##### (vi) **Depreciation policies**

Property, plant and equipment are depreciated to their residual values over their estimated useful lives. The residual value of an asset is the estimated net amount that the Fund would currently obtain from disposal of the asset, if the asset was already of the age and in condition expected at the end of its useful life.

The directors therefore make estimates based on historical experience and use best judgement to assess the useful lives of assets and to forecast the expected residual values of the assets at the end of their expected useful lives.

## STATUTORY BODIES FAMILY PROTECTION FUND

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 30 JUNE 2020

##### (h) 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 equipment 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.



# STATUTORY BODIES FAMILY PROTECTION FUND

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2020

#### (i) **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.

#### (j) **Impairment of Intangible assets**

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 2020

#### **(k) 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.

#### **(l) Impairment of non-financial assets**

At the end of each reporting period, the Fund reviews the carrying amounts of its tangible and intangible assets to determine whether there is any 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, corporate assets are also allocated to individual 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 estimates of future cash flows have not been adjusted.

#### **(m) Financial instruments**

##### **Financial Assets**

Financial assets are initially measured at fair value plus incremental direct transaction costs and subsequently accounted for depending on their classification as held to maturity, available-for-sale assets, fair value through profit and loss or loans and receivables.

##### **(i) Held-to-Maturity investments**

Held-to-Maturity investments are non-derivative assets with fixed/determinable payments & fixed maturity that the Fund has positive intent & ability to hold to maturity, and which are not designated at fair value through surplus or deficit or available for sale.

##### **(ii) Available-for- sale Quoted Shares**

Available for sale investments are non-derivatives that are not designated as another category of financial assets. Unquoted equity whose fair value cannot be reliably measured are carried at cost. All other available-for-sale investments are carried at fair value. The Fund reckons only quoted securities.

##### **(iii) Fair value through surplus or deficit**

In determining financial assets at fair value through profit and loss, the Fund determines that it meets one of criteria for this designation. Unquoted local equity securities which are not traded in an active market are classified as fair value through surplus and deficit.

##### **(iv) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Fund does not intend to sell immediately or in the near term.



## STATUTORY BODIES FAMILY PROTECTION FUND

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 30 JUNE 2020

#### (m) **Financial instruments ....(cont'd)**

##### **Initial recognition**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Fund does not intend to sell immediately or in the near term.

##### **Subsequent measurement**

Subsequent to initial recognition, financial assets 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 are stated at amortised cost.
- (iv) Held-to-Maturity Investments (HTM)  
HTM are stated at cost as impairment loss does not apply to the investments held.
- (v) Available for sale shares (AFS)  
AFS are measured at fair value. However, AFS investments which do not have a quoted active market price and whose fair value cannot be reliably measured are subsequently measured at amortised cost or cost, depending on whether they have a fixed maturity or not, less any impairment loss. For AFS investments, unrealised gains and losses are recognised directly in equity until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity in respect of that investment is included in the Statement of Profit or Loss and Comprehensive Income.
- (vi) **Fair value through surplus or deficit**  
Assets classified as fair value through surplus or deficit (FVTSD) are measured at fair value.  
For FVTSD assets and liabilities, unrealised gains and losses are included in the Statement of Profit or Loss and Comprehensive Income.
- (vii) **Loans and receivables**  
Assets classified as Loans and receivable are measured at cost less any impairment allowance

# STATUTORY BODIES FAMILY PROTECTION FUND

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2020

#### (m) **Financial instruments .....(cont'd)**

##### **Impairment of financial assets**

##### **Assets carried at amortised cost**

The Fund assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with individual financial assets in portfolio, including:

- (1) adverse changes in the payment status of borrowers in the portfolio; and
- (2) national or local economic conditions that correlate with defaults on assets in the portfolio.

##### **Financial Liabilities**

##### **Initial Recognition**

Financial Liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition.

Financial liabilities at FVTPL are measured at fair value and the net gains and losses, including any interest expense are recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

The Fund's financial liabilities comprise 'Creditors and Payables' which are stated at their nominal value.

#### (n) **Cash and cash equivalents**

Cash & cash equivalents comprise cash at bank & in hand, measured at amortised cost.

#### (o) **Cash Flow**

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



## STATUTORY BODIES FAMILY PROTECTION FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

#### (p) **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. Risk limits are set based upon internal and external ratings which include setting of loan limits which are strictly applied. As no loan is disbursed without satisfying the set limit and other eligibility criteria, Management does not expect any losses from non-performance except for those for which provision for impairment has been made.

In view of the sound procedures in place regarding loan eligibility and guarantees and collaterals, Management is of the view that loans disbursed are recoverable through the afore-mentioned guarantees and collaterals. Accordingly, Management is of the considered view that provision for **expected credit losses** is not warranted.

**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.

#### (q) **Retirement benefit obligations**

The Fund contributes to a pension scheme which includes a 'Defined Benefit' plan and a 'Defined Contribution' Scheme.

##### 1) Retirement Benefits under the Defined Benefit Pension Plan

The assets of the defined benefit plan are held independently and administered by the Sicom Ltd. A liability or asset is recognised in the Statement of Financial Position equal to the net of the defined benefit obligation and the fair value of plan assets at the end of the reporting period. The defined benefit obligation is calculated annually by SICOM Ltd using the Projected Unit Method.

The present value of the defined benefit obligation is calculated by discounting estimated future cash outflows using a discount rate determined by reference to market yields on bonds.

## STATUTORY BODIES FAMILY PROTECTION FUND

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 30 JUNE 2020

**(q) Retirement benefit obligations (cont'd)**

The Net Interest Cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in the Statement of Financial Performance.

Service cost is recognised in the Statement of Financial Performance.

Remeasurement of the net defined benefit liability or asset arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly to Accumulated Surplus/Deficit in Statement of Net Assets/Equity

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised in the Statement of Financial Performance as past service cost. There were no such costs in 2018/2019 and 2019/2020.

**2) Retirement Benefits under the Defined Contribution Pension Scheme**

The Defined Contribution Pension Scheme was set up with effect from 1 January 2013 following amendments to the Statutory Bodies Pension Funds Act 1978. One employee, who joined in January 2018, contributes 6% of salary to the Scheme. The Fund contributes 12% of the employee's salary. Such contributions are expensed to the Statement of Financial Performance in the period in which they fall due.

**(r) 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.

**(s) Impairment Losses on Loan Receivables**

Management is of the view that those loans which are non-performing to date and for which non-recoverability is certain are considered impaired in which case an allowance for impairment losses is made. However, as mentioned in the credit risk management policy, all loans are recoverable by virtue of the supporting guarantees and collaterals taken. Impairment losses are not expected to occur whether for known non-performing loans or for eventual non-performing loans.

**(t) 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 2020

#### 4. Property, plant and equipment

	Furniture and fittings	Air conditioners	Computer & equipment	Total
<u>COST</u>	Rs	Rs	Rs	Rs
Balance 01.07.2019	784,439	146,736	430,057	1,361,232
Additions	10,817			10,817
				-
Balance 30.06.2020	<u>795,256</u>	<u>146,736</u>	<u>430,057</u>	<u>1,372,049</u>
				-
<u>DEPRECIATION</u>				
Balance 01.07.2019	776,503	125,236	392,874	1,294,613
Charge for the year	11,726	4,300	27,076	43,102
				-
Balance 30.06.2020	<u>788,229</u>	<u>129,536</u>	<u>419,950</u>	<u>1,337,715</u>
<b>NET BOOK VALUE</b>				
At 30.06.2019	<u>7,936</u>	<u>21,500</u>	<u>37,183</u>	<u>66,619</u>
At 30.06.2020	<u>7,027</u>	<u>17,200</u>	<u>10,107</u>	<u>34,334</u>

#### 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.

<u>INTANGIBLE ASSET:</u>	Software
<u>COST</u>	Rs
Balance 01.07.2019	2,714,705
Additions	-
Balance 30.06.2020	<u>2,714,705</u>
<u>AMORTISATION</u>	
Balance 01.07.2019	2,567,551
Charge for the year	96,664
Balance 30.06.2020	<u>2,664,215</u>
<b>NET BOOK VALUE</b>	
At 30.06.2019	<u>147,154</u>
At 30.06.2020	<u>50,490</u>

# STATUTORY BODIES FAMILY PROTECTION FUND

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2020

	<u>30.06.2020</u>	<u>30.06.2019</u>
	Rs	Rs
<b>6. Cash and cash equivalents</b>		
Petty cash	137	81
Cash at bank-current account	14,039,186	5,821,535
	<b>14,039,324</b>	<b>5,821,616</b>

### **7. Investment**

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

	<u>30.06.2020</u>		<u>30.06.2019</u>	
<u>Investment-Fixed Deposits</u>	Rs	Rs	Rs	Rs
	Current asset	Non-Current	Total	Total
Sicom Financial Services Limited	178,000,000	253,950,000	431,950,000	431,950,000
Mauritius Civil Service Mutual Aid Ass		201,000,000	201,000,000	201,000,000
MAUBANK		371,000,000	371,000,000	371,000,000
MHC		207,000,000	207,000,000	207,000,000
ABC	-	70,000,000	70,000,000	70,000,000
Bank One	-	110,500,000	110,500,000	110,500,000
	<b>178,000,000</b>	<b>1,213,450,000</b>	<b>1,391,450,000</b>	<b>1,391,450,000</b>

<u>Shares</u>	<u>No. of shares</u>	<u>Market price</u>	<u>30.06.2020</u>	<u>30.06.2019</u>
		Rs	Rs	Rs
MCB Ltd	1,149,731	235.90	271,221,543	332,272,259
Fincorp Ltd	29,160	19.95	581,742	720,252
			<b>271,803,285</b>	<b>332,992,511</b>
			<b>1,485,253,285</b>	

<b>8. Trade receivables</b>	<u>30.06.2020</u>	<u>30.06.2019</u>
	Rs	Rs

Receivables represent contributions and interest due at year end.

Contributions receivable	3,840,242	2,543,721
Interest receivable (short term)	13,371,815	13,606,472
<b>Trade receivables</b>	<b>17,212,057</b>	<b>16,150,193</b>
Interest receivable (long term)	92,880,857	65,536,319
	<b>110,092,914</b>	<b>81,686,512</b>



# STATUTORY BODIES FAMILY PROTECTION FUND

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2020

#### 9 **Loan receivables**

Loan receivables are shown at carrying amount at year end. No provision for expected credit losses is made as the Fund is of the view that loans, including non-performing loans, are fully recoverable by virtue of various guarantees and collaterals taken from borrowers.

As at 30 June 2020, the amount of non-performing loans under legal suit was Rs 166,500.

	<u>30.06.2020</u>	<u>30.06.2019</u>
	Rs	Rs
<b>Current assets</b>		
Personal loan	16,007,927	21,529,166
Housing loan	544,798	1,461,738
Car loan	214,286	630,040
<b>Total current assets</b>	<b>16,767,011</b>	<b>23,620,943</b>
<b>Non current assets</b>		
Personal loan	13,682,437	12,186,374
Housing loan	3,139,531	3,121,749
Car loan	-	-
<b>Total non-current assets</b>	<b>16,821,968</b>	<b>15,308,123</b>
 <b><u>Personal loan scheme</u></b>	 <b>29,690,364</b>	 <b>33,715,541</b>
 <b><u>Housing loan scheme</u></b>		
Municipality of Port Louis	1,145,995	1,365,548
Municipality of Beau Bassin/Rose Hill	403,655	488,096
Municipality of Quatre Bornes	-	29,826
Municipality of Vacoas/Phoenix	211,255	298,890
Municipality of Curepipe	58,299	99,026
Sugar Industry Labour Welfare Fund	157,895	204,236
Moka District Council	-	79,658
Flacq District Council	615,451	435,586
Pam District Council	85,855	80,427
Riv Du Rempart DC	237,728	302,927
Grand Port District Council	232,948	222,046
Savanne District Council	252,657	568,190
Town & Country Planning Board	37,807	63,553
Black River District Council	17,315	87,437
Statutory Bodies Family Protection Fund	227,469	258,041
	<b>3,684,329</b>	<b>4,583,487</b>
 <b><u>Car Loan</u></b>		
Statutory Bodies Family Protection Fund	214,286	630,040
 <b>Total loan receivables</b>	<b>33,588,979</b>	<b>38,929,068</b>
 10. <b>Other receivables</b>	 2,315	 2,315
Security deposit		
	<b>2,315</b>	<b>2,315</b>

# STATUTORY BODIES FAMILY PROTECTION FUND

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2020

#### 11 Figures for IAS 19 adoption

	30 June 2020	30 June 2019
	Rs	Rs
<b>Amounts recognised in the balance sheet:</b>		
Present value of obligations	38,193,448	26,013,754
Fair value of plan assets	(9,783,701)	(9,381,593)
Effect on asset ceiling	-	-
Deficit (surplus) on obligations	<b>28,409,747</b>	<b>16,632,161</b>
<b>Net cost for the period:</b>		
Current service cost	1,481,559	603,082
Net interest cost	503,101	1,026,103
Fund expenses & life insurance	87,561	15,495
Contributions by employees	(261,506)	(258,860)
Past service cost	-	-
Curtailement / settlement (gain) loss	-	-
<i>Net cost for the year recognised in profit &amp; loss</i>	1,810,715	1,385,820
Remeasurement recognised in OCI	10,489,882	(14,193)
<i>Net cost for period</i>	<b>12,300,597</b>	<b>1,371,627</b>
<b>Net interest cost for the year :</b>		
Interest on obligation	793,980	1,612,589
Expected return on plan assets	(290,879)	(586,486)
<i>Net interest cost</i>	<b>503,101</b>	<b>1,026,103</b>
<b>Remeasurement recognised in OCI for period :</b>		
Actuarial gains (losses) on the obligation	(10,907,598)	181,571
Actuarial gains (losses) on plan assets	417,716	(167,378)
Any change in effect of the asset ceiling, excluding amounts included in net interest cost	-	-
<i>Remeasurement recognised in OCI - Gain/(Losses)</i>	<b>(10,489,882)</b>	<b>14,193</b>
<b>Changes in the Present Value of the Obligation</b>		
Present value of obligation at start of period	26,013,754	25,001,375
Restatement	-	-
Interest cost	793,980	1,612,589
Current service cost	1,481,559	603,082
Past service cost	-	-
Benefits paid	(1,003,443)	(1,021,721)
Fund expenses & life insurance	-	-
Curtailement / settlement (gain) loss on obligation	-	-
<i>Expected obligation at end of period</i>	27,285,850	26,195,325
<b>Present value of obligation at end of period</b>	<b>38,193,448</b>	<b>26,013,754</b>
<i>Remeasurement recognised in OCI at end of period - Gain/(Losses)</i>	<b>(10,907,598)</b>	<b>181,571</b>

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.



# STATUTORY BODIES FAMILY PROTECTION FUND

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2020

#### 11 Figures for IAS 19 adoption

	<u>30 .06. 2020</u>	<u>30 .06. 2019</u>
<b>Changes in the Fair Value of the Plan Assets</b>	<b>Rs</b>	<b>Rs</b>
Fair value of plan assets at start of period	9,381,593	9,223,121
Restatement	-	-
Expected return on plan assets	290,879	586,486
Contributions to plan assets	784,517	776,580
Benefits paid out of plan assets	(1,003,443)	(1,037,216)
Fund expenses & life insurance	(87,561)	-
<b>Expected fair value at end of period</b>	<b>9,365,985</b>	<b>9,548,971</b>
<b>Fair value of plan assets at end of period</b>	<b>9,783,701</b>	<b>9,381,593</b>
<b>Remeasurement recognised in OCI at end of period - (Gain)/Losses</b>	<b>(417,716)</b>	<b>167,378</b>
<b>Major Asset Categories as Percentage of Plan Assets</b>		
Government securities and cash	59.5%	58.7%
Loans	3.0%	3.4%
Local equities	12.3%	13.1%
Overseas bonds and equities	24.6%	24.2%
Property	0.6%	0.6%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Principal actuarial assumptions at end of period:</b>		
Normal Retirement Age	65	65
Discount rate	As per table	0
Expected rate of return on plan assets	As per table	0
Future salary increases	1	4
Future pension increases	1	3
Future NPF salary increases	-	-
Deferred pension increases	-	-
Annual proportion of employees leaving service	Nil	Nil
Actuarial table for employee mortality	PMA92_PFA92	PMA92_PFA92
<b>Movements in liability recognised in balance sheet:</b>		
Net liability at start of period		
- as previously reported	16,632,161	15,778,254
- effect of restatement	-	-
- as restated	16,632,161	15,778,254
Net expense recognised in profit or loss	1,810,715	1,385,820
Net actuarial (gains) losses recognised in OCI	10,489,882	(14,193)
Contributions & direct benefits paid	(523,011)	(517,720)
<b>Net liability at end of period</b>	<b>28,409,747</b>	<b>16,632,161</b>
<b>Experience adjustments on:</b>		
Plan liabilities	(6,347,070)	181,571
Plan assets	(417,716)	(167,378)

# STATUTORY BODIES FAMILY PROTECTION FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### 11 Figures for IAS 19 adoption

#### Sensitivity

Effect on present value of obligations

1% Increase in discount rate	N/A	33,334,949
1% Decrease in discount rate	N/A	44,241,481
1% Increase in salary increase assumption	N/A	40,657,556
1% Decrease in salary increase assumption	N/A	36,009,542
Effect of changing longevity - rate increase	N/A	36,968,480
Effect of changing longevity - rate decrease	N/A	39,430,584

#### Data summary as at 30 June 2020

Active employees - Members of DB pension scheme

#### Monthly

Gender	Number	Average age	Average service	
			salary (Rs)	
M	3	48.9	22.3	92,755
F	6	49.8	25.0	272,810
<b>Grand Total</b>	<b>9</b>	<b>49.5</b>	<b>24.1</b>	<b>365,565</b>

Pensioners

Gender	Number	Average age	Monthly	
			pension (Rs)	
M	2	67.9	61,933	
F	1	60.8	15,740	
<b>Grand Total</b>	<b>3</b>	<b>65.6</b>	<b>77,673</b>	

#### Points to be noted

- We have used a range of discount rates as per the yield curve (please refer to the table below).
- As advised, we have used a future salary increase and pension increase assumption of 1% per annum.
- As confirmed, no retirement gratuity was paid during the year ending 30 June 2020.
- An actuarial loss on obligations of Rs 10.9m corresponds to the changes in financial assumptions over the period.

#### Discount rates

The yield curve is based on mid rates of the Mauritian government bond market proposed by MCB as at 29 June 2020.

The liabilities of each member have been discounted based on their respective projected term to retirement and their corresponding discount rate.

Future Term	Discount Rate
5 year	2.14%
10 year	2.53%
15 year	2.87%
20 year	3.12%

**Discount Rate (for illustrative purposes only): 3.10%**

**Weighted Average Term of Liabilities: 24 years**



## STATUTORY BODIES FAMILY PROTECTION FUND

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 30 JUNE 2020

##### 11 Data Protection

The report has been prepared in line with the provisions as set out in the Data Protection Act 2017. A more detailed explanation can be provided upon request. The accuracy of the results depends on the data provided and whilst we have checked the data for reasonableness, it is also the responsibility of the company to ensure that the data provided is correct.

##### Benefits valued

Members of the Defined Benefit fund - Benefits as per fund rules

##### Benefits as per fund rules

Increasing pension of, 1/600 for members who joined before 01 July 2008 and 1/690 for those who joined after 01 July 2008, of final pensionable remuneration (excluding the 13th month salary bonus) for each month of service.

The pension is not guaranteed and the pension increase is discretionary.

A spouse pension is payable only on death of the member in the discharge of his duties.

Up to 25% of the pension may be commuted into a lump sum at the rate of 12.5 per rupee of pension.

## STATUTORY BODIES FAMILY PROTECTION FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

		<u>30.06.2020</u>	<u>30.06.2019</u>
		Rs	Rs
<b>12.</b>	<b>Creditors and payables</b>		
	Sundry creditors – pension payable	703,681	809,654
	Expenses accrued -personal loan expenses	347,021	308,790
	Actuarial fees	465,000	465,000
	Audit fees	390,000	350,000
	Legal fees	43,125	-
	Loan Refundable	479,995	194,195
	Board Fees	-	9,748
	Electricity, telephone& others	4,772	76,208
	Suspense account	-	23,467
		<u>2,433,595</u>	<u>2,237,062</u>
<b>13.</b>	<b>Employee benefits</b>		
	<b>Short term employee benefits</b>		
	Passage benefits	231,533	377,995
	Bank sick leave	-	114,092
		<u>231,533</u>	<u>492,087</u>
	 <b>Long term employee benefits</b>		
	Bank vacation leave	2,211,164	1,920,054
	Bank sick leave	1,827,825	1,800,105
		<u>4,038,989</u>	<u>3,720,159</u>
<b>14.</b>	<b>Revenue</b>		
	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 2020

14. Revenue		<u>30.06.2020</u>	<u>30.06.2019</u>
		Rs	Rs
<b>Contributions</b>			
Municipality of Port Louis	Employee	5,271,386	5,403,062
	Employer	6,162,367	6,295,327
Municipality of BBassin/RHill	Employee	3,101,272	3,110,103
	Employer	3,195,394	3,151,618
Municipality of Quatre Bornes	Employee	2,947,638	3,056,940
	Employer	3,291,959	3,457,921
Municipality of Vacoas/Phoenix	Employee	3,327,242	3,369,238
	Employer	3,743,887	3,737,546
Municipality of Curepipe	Employee	1,704,211	1,786,986
	Employer	2,155,095	2,214,676
Sugar Industry Labour Welfare Fund	Employee	3,306,817	3,359,719
	Employer	3,789,016	3,803,502
Moka District Council	Employee	1,068,405	1,047,719
	Employer	1,068,405	1,047,719
Flacq District Council	Employee	1,308,441	1,377,793
	Employer	1,368,309	1,377,793
Pam District Council	Employee	1,274,404	1,268,014
	Employer	1,289,823	1,299,759
Riv du Rempart D Council	Employee	1,257,996	1,280,894
	Employer	1,386,492	1,303,975
Grand Port District Council	Employee	1,560,946	1,577,643
	Employer	1,565,644	1,584,833
Savanne District Council	Employee	1,135,467	1,135,738
	Employer	1,204,383	1,153,257
Black River District Council	Employee	1,076,355	1,114,046
	Employer	1,076,355	1,114,518
Town and Country Planning Board	Employee	89,120	89,846
	Employer	89,120	89,846
SBFP Fund	Employee	67,236	89,922
	Employer	87,312	89,922
<b>Total contitution Receivable</b>		<b>59,970,498</b>	<b>60,789,876</b>

## STATUTORY BODIES FAMILY PROTECTION FUND

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 30 JUNE 2020

	<u>30.06.2020</u>	<u>30.06.2019</u>
<b>14. Revenue</b>		
<b><u>Revenue from investment</u></b>	<b>Rs</b>	<b>Rs</b>
Revenue from investment comprises of interest received from investment on fixed deposit and dividend from shares.		
<b><u>Investment interests</u></b>		
Sicom Financial Services Limited	17,686,900	17,686,900
Mauritius Civil Service Mutual Aid Associations	7,194,904	7,494,000
MAUBANK	14,180,000	14,180,000
MHC	6,837,238	8,619,000
ABC Banking Corporation	2,625,000	2,625,000
Bank One	4,143,750	4,143,750
<b><u>Dividend from shares</u></b>		
MCB Ltd	14,946,503	11,497,310
Fincorp Ltd	17,496	17,496
<b>Total Investment Income</b>	<b>67,631,791</b>	<b>66,263,456</b>
<b>Total Revenue</b>	<b>127,602,289</b>	<b>127,053,331</b>
<b>15. Other income</b>	<b><u>30.06.2020</u></b>	<b><u>30.06.2019</u></b>
	<b>Rs</b>	<b>Rs</b>
Interest on car loan	-	33,948
Interest on housing loan	339,669	424,636
Interest on personal loan	2,833,291	2,869,443
Miscellaneous revenue	22,604	18,902
	<b>3,195,563</b>	<b>3,346,929</b>



# STATUTORY BODIES FAMILY PROTECTION FUND

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2020

	<u>30.06.2020</u>	<u>30.06.2019</u>
<b>16. Surplus from operations</b>		
Surplus of income for the year is arrived at after charging the following items:-	<b>Rs</b>	<b>Rs</b>
Staff costs	8,281,646	8,131,748
Administrative expenses	1,863,123	2,274,472
	<b>10,144,770</b>	<b>10,406,220</b>
No. of employees at end of year	<b>10</b>	<b>10</b>
Staff cost includes:	<u>30.06.2020</u>	<u>30.06.2019</u>
	<b>Rs</b>	<b>Rs</b>
Salaries	5,596,412	5,739,267
Travelling	528,285	627,720
National savings fund	55,625	51,666
Passage benefits	176,768	210,746
Fund's staff contribution	87,312	95,113
Retirement benefit obligation	1,287,704	868,100
Staff pension	549,540	539,136
	<b>8,281,646</b>	<b>8,131,748</b>
<b>17. Administrative expenses</b>	<u>30.06.2020</u>	<u>30.06.2019</u>
	<b>Rs</b>	<b>Rs</b>
Printing and stationery	100,116	77,989
Electricity	106,955	132,892
Telephone	55,842	48,599
Rent	107,329	90,817
General expenses	137,553	160,632
Insurance	1,755	1,755
Training	26,474	35,800
Board fees	369,165	417,086
Maintenance IT	437,000	276,000
Miscellaneous Exps	-	112,867
Legal fees	63,125	126,500
Pension of retired Secretary	78,899	76,228
Auditor's remuneration	180,000	180,000
Actuaries' fees	-	81,000
Depreciation	139,768	407,389
Bank charges	32,792	48,918
Suspense A/C Written off	26,350	-
	<b>1,863,123</b>	<b>2,274,473</b>

# STATUTORY BODIES FAMILY PROTECTION FUND

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2020

		<u>30.06.2020</u>	<u>30.06.2019</u>
		Rs	Rs
<b>18.</b>	<b>Statutory contributions to management expenses</b>		
	Opening accruals	(2,328,791)	(2,176,519)
	Contributions received	58,673,977	60,789,876
	Closing accruals	3,840,242	2,328,791
		<u>60,185,428</u>	<u>60,942,148</u>
	Statutory contributions to management expenses is 20% of contributions receivable.	12,037,086	12,188,429

### **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>30.06.2020</u>	<u>30.06.2019</u>
	Rs	Rs
Chairman/board fees	369,165	417,086
Salary Manager	1,244,880	1,244,880
	<u>1,614,045</u>	<u>1,661,966</u>

#### Monthly Rate

Chairman fees	28,728	344,736	322,560
Board/sub committee fees		24,429	94,526
Board member fee	850		
Secretary/board	1,165		
Sub committee member	775		
Chairman sub committee	1,140		
Secretary/ sub committee	585		
Travelling	200		
		<u>369,165</u>	<u>417,086</u>

#### **(ii) Transactions with SICOM Ltd**

SICOM Ltd administers the pension plans of the Fund. Moreover, term deposits are held at the SICOM Ltd. Furthermore, SICOM Ltd has carried out actuarial investigation for the Fund.



**STATUTORY BODIES FAMILY PROTECTION FUND**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2020**

**20. Car loan**

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

	<u>30.06.2020</u>	<u>30.06.2019</u>
	Rs	Rs
<b>Opening balance</b>	630,040	1,012,900
Loan granted	-	-
Loan refunded	415,754	382,860
<b>Closing balance</b>	<u>214,286</u>	<u>630,040</u>

**21 Personal loan**

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

	<u>30.06.2020</u>	<u>30.06.2019</u>
	Rs	Rs
<b>Opening balance</b>	33,715,540	34,793,018
Loan granted	17,212,616	21,221,620
Loan refunded	(21,237,793)	(22,299,098)
		-
<b>Closing balance</b>	<u>29,690,364</u>	<u>33,715,540</u>
Loan interest received	<u>2,833,291</u>	<u>2,869,443</u>

**22. Revaluation reserve**

	<u>No. of shares</u>	<u>Market price</u>	<u>30.06.2020</u>	<u>30.06.2019</u>	<u>Gain/(Loss)</u>
		Rs			Rs
MCB shares	1,149,731	235.90	271,221,543	332,272,259	(61,050,716)
Fincorp Ltd	29,160	19.95	581,742	720,252	(138,510)
			<u>271,803,285</u>	<u>332,992,511</u>	<u>(61,189,226)</u>
<b>Loss</b>					<b>(61,189,226)</b>

**23 Surplus on Management Expenses**

	<u>30.06.2020</u>	<u>30.06.2019</u>
	Rs	Rs
Statutory contributions	12,037,086	12,188,429
<u>Less</u>		
Staff costs	8,281,646	8,131,748
Administrative expenses	1,863,123	2,274,474
	10,144,770	10,406,221
<b>Surplus</b>	<u>1,892,316</u>	<u>1,782,208</u>

# STATUTORY BODIES FAMILY PROTECTION FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### 24. STATEMENT OF CASH FLOWS

#### 24.1 Cash flows from operating activities

	<u>30.06.2020</u>	<u>30.06.2019</u>
	Rs	Rs
<b>Cash flows from operating activities</b>		
Surplus for the year	27,720,245	28,669,698
Surplus in management expenses account	1,892,316	1,782,209
	<b>29,612,561</b>	<b>30,451,907</b>
<b>Adjustments for:</b>		
Depreciation	139,768	407,389
Actuarial Gain/(losses) on benefit plan	(10,489,882)	14,193
(Decrease)/increase in retirement benefit obligations	11,777,586	853,907
Dividend receivable	(14,963,999)	(11,514,806)
Interest receivable	(25,557,911)	(25,354,178)
	<b>(9,481,877)</b>	<b>(5,141,588)</b>
(Increase) in trade receivables	(28,406,402)	(29,761,674)
(Increase)/ Decrease in other receivables	-	-
(Decrease)/Increase in creditors and payables	196,531	(1,199,607)
(Decrease) in employee benefits	58,276	454,170
	<b>(28,151,595)</b>	<b>(30,507,111)</b>
<b>Cash generated from operations</b>	<b>(37,633,472)</b>	<b>(35,648,699)</b>

#### 24.2 Non cash transactions

The principal non cash transactions are the adjustments for depreciation and actuarial gain/loss on retirement benefit obligations.

#### 24.3 Cash and cash equivalents

Cash and cash equivalents include the following for the purpose of the statement of cash flows:

	<u>30.06.2020</u>	<u>30.06.2019</u>
	Rs	Rs
Cash in hand and at bank	<u>14,039,323</u>	<u>5,821,616</u>