



REPORT OF THE DIRECTOR OF AUDIT

**On the Financial Statements
of the Statutory Bodies Family Protection Fund
for the year ended 30 June 2021**

NATIONAL AUDIT OFFICE



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 2021 and the statement of financial performance, statement of changes in net assets/equity, cash flow statement and the statement of budget and actual amounts 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 2021, and of its financial performance and cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS).

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.

Emphasis of Matter

I draw attention to Note 2(a) to the Financial Statements which states that the financial statements have been prepared in accordance with accrual basis International Public Sector Accounting Standards (IPSAS) for the first time.

My opinion is not modified in this respect.

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 Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 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.

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

28 September 2022

ANNUAL REPORT
FOR THE YEAR ENDED
30 JUNE 2021

AMENDED

HONESTY IS THE BEST POLICY

**STATUTORY BODIES FAMILY
PROTECTION FUND**

Address: Galerie Remy Ollier Place foch, Port Louis

TEL:2120521

Fax:2082749

Email: manager@sbfpfund.govmu.org

STATUTORY BODIES FAMILY PROTECTION FUND

Annual Report for the Year 2020/2021

Corporate Governance Report

Compliance Statement:

Reporting Period: 1 July 2020 to 30 June 2021

Background

The Statutory Bodies Family Protection Fund falls under the aegis of the Ministry of Local Government and Disaster Risk Management.

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.

GOVERNANCE STRUCTURE

Conduct of affairs

The objective of the Board is to define the Fund's purpose, strategy and values and determine all matters relating to the direction, policies, practices, management and operations of the Fund.

Statement of Accountability by the Board

- The Board assumes the responsibility for leading and controlling the Fund and meeting all legal and regulatory requirements. Directors are aware of their legal duties.
- The Board is accountable for the performance and affairs of the Fund and for achieving sustainable growth.
- The Board is responsible for ensuring that the Fund adheres to high standards of ethical behaviour and acts in the best interest of associates.
- The Board has the responsibility of reviewing and approving the results announcements of the Fund.
- The Board is accountable in respect of all deliberations and thereafter administered 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.

Key roles and responsibilities

Chairperson;

provides overall leadership to the Board

Ensures that the Board is effective in its tasks of setting and implementing direction and strategy.

Presides and conducts meetings effectively

Ensures that the Directors receives accurate, timely and clear information

Directors:

Contribute to the development of strategy
Ensure that financial information released to the stakeholders are accurate
Ensure that the Fund has adequate and proper financial controls and systems of risk management
Active participate in decision- making
Provide specialist knowledge and experience to the Board.
Remain permanently bound by fiduciary duties of care and skill.

Secretary:

Ensure compliance with all relevant statutory and regulatory requirements
Provides the Board as a whole and directors individually with guidance as to their roles and responsibilities.
Assist the chairperson in governance processes such as Board and Committees evaluation.
Develop and circulate agendas for meetings and drafts minutes and ensures follows ups.
Ensures that the shareholder's interests are taken care of and acts as primary point of contact.

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 Beedwantree 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 BHUAGEEROTHEE

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.

THE STUCTURE OF THE BOARD AND ITS COMMITTEES

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

The Board consists of nine Non-Executive Directors

Sub-committees are constituted by the Board composed of chairperson and three members

The Board Structure for the period July 2020 to October 2020 constituted as follows:

Mrs D C Anandi Rye SEEWOORUTHUN- Chairperson
Mr M.M. CADERSAIB-Member
Mr J MULLOO-Member
Mr P ELLAYAH-Member
Mr D GOPAUL-Member w.e.f 16TH Jan 2020
Mr G BHUAGEEROTHEE-Member
Mrs B RAMDOWAR-Member
Mr V KALLOOA -Member
Mr L F WILSON-Member

The Board Structure for the period November 2020 to June 2021 constituted as follows:

Mrs Devi Chand Anandi Rye SEEWOORUTHUN- Chairperson
Mr M.M. CADERSAIB-Member
Mr S M K SOONARANE-Member as at 21 Feb 2021
Mr V.RAMDHUNY-Member w.e.f 22nd Feb 2021
Mr R GUNGADEEN-Member as at 27th June 2021
Mr S.TEELUCK-Member w.e.f 28th June 2021
Mr D GOPAUL-Member
Mr M S ACKBURALLY-Member
Mrs S RUTTUN-Member
Mr C MOOKEN-Member
Mr L F WILSON-Member

Committees of the Board

Staff Committee 2020/21 composed of:

Mr D GOPAUL (replaced by Mr S TEELUCK)-Chairman
Mr M M CADERSAIB-Member
Mrs M.S.ACKBURALLY-Member
Mr C.MOOKEN -Member

Audit Committee 2020/21 composed of:

Mr R GUNGADEEN (Replaced by Mr D GOPAUL)-Chairman
Mr S M K SOONARANE (replaced by Mr V RAMDHUNY)- Member
Mr L F WILSON -Member
Mrs S RUTTUN-Member

Adhoc Committee 2020/21 composed of:

Mr J MULLOO -Chairman
Mr L.F WILSON-Member
Mrs B RAMDOWAR-Member
Mr G BH AUGEEEROTHEE -Member

Investment Committee w.e.f June 2021

Mr Swaley LALMAHOMED FCCA-Chairperson
Mr Navin SOOGUND FCCA-Member
Mr Raj APPADOO-PFO Member
Mrs Mirella Bundhun-Secretary

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

Auditor: National Audit Office

Board Committees 2020/2021

Number of Board Meetings held during the year: six
Number of Audit Committees held during the year: three
Number of Staff Committees held during the year: one
Number of Ad-hoc Committee held during the year: one
Number of Investment Committees held during the year: three

Attendance at Board and sub committees meetings during the financial year 2020/2021:

| Name | Committees | | | | |
|---|------------|-----------|-----------|-----------|----------|
| | Board | Staff | Audit | Ad-hoc | All |
| | Presences | Presences | Presences | Presences | Absences |
| <u>From July to October 2020</u> | | | | | |
| Mrs D C R SEEWOORUTHUN | <u>2</u> | - | - | - | - |
| Mr M.M. CADERSAIB | <u>2</u> | - | - | - | 1 |
| Mr J MULLOO | <u>2</u> | 1 | - | 1 | - |
| Mr P ELLAYAH | - | - | - | - | 3 |
| Mr D GOPAUL | - | - | 1 | - | 2 |
| Mr G BHUAGEEROTHEE | <u>2</u> | 1 | - | - | 1 |
| Mrs B RAMDOWAR | <u>2</u> | 1 | - | 1 | - |
| Mr V KALOOA | - | - | 1 | - | 2 |
| Mr L F WILSON | <u>2</u> | - | 1 | 1 | - |
| <u>From November 2020 to June 2021</u> | | | | | |
| Mrs D C A R SEEWOORUTHUN | <u>4</u> | - | - | - | - |
| Mr M.M. CADERSAIB | <u>4</u> | - | - | - | - |
| Mr S M K SOONARANE | - | - | - | - | 4 |
| Mr V. RAMDHUNY | <u>1</u> | - | - | - | 1 |
| Mr R GUNGADEEN | <u>1</u> | - | 1 | - | 2 |
| Mr S. TEELUCK | <u>1</u> | - | - | - | - |
| Mr D GOPAUL | <u>2</u> | - | 1 | - | 2 |
| Mr M S ACKBURALLY | <u>4</u> | - | - | - | - |
| Mrs S RUTTUN | <u>3</u> | - | 2 | - | 1 |
| Mr C MOOKEN | <u>3</u> | - | - | - | 1 |
| Mr L F WILSON | <u>4</u> | - | 2 | - | - |

Directors Remuneration: As per Pay Research Bureau Report Recommendations

Audit Committee

The main roles and responsibilities of the Audit Committee include regular reviews and monitoring of the following:

- Effectiveness of the internal financial control systems
- Independence of the external audit process and assessment of the external auditor's performance.
- Compliance with accounting standards, local and international, and with legal requirements.
- Annual financial statements to be submitted to the Board.

The Audit Committee has deliberated their views and recommendations at its sitting held during the year 2020/21.

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 members are appointed by the Minister and the appointed Director remains in office until the next review.

The Board is responsible for appointment of employees as and when required.

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 Policy

The objective of this policy is to define the scope of conflicts of interest and related party transactions and to set out prudent rules.

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 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
- To extend loan facilities to non-members

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.

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>30.06.2021</u> | <u>30.06.2020</u> |
|-----------------------------|-------------------|-------------------|
| <u>Dividend from Shares</u> | <u>Rs</u> | <u>Rs</u> |
| MCB Ltd | Nil | 14,916,503 |
| Fincorp Ltd | Nil | 17,496 |
| Total | <u>Nil</u> | <u>14,963,999</u> |

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) The COVID-19 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 2021, there were 4734 working associates and 538 retired associates under the Family Protection Scheme compared to 5426 active associates in 2019/20.

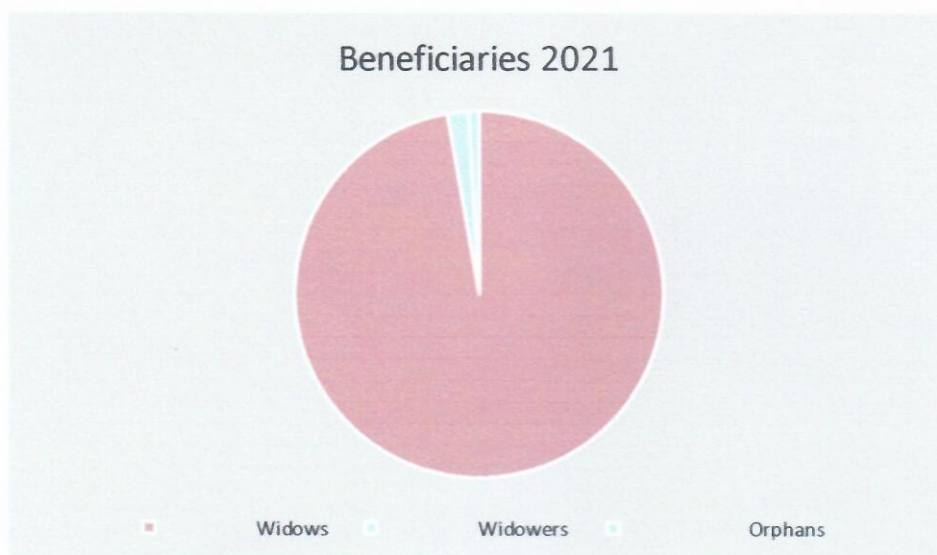
| <u>Councils</u> | <u>No of Associates</u> | <u>Retired Associates</u> | <u>Total</u> |
|-----------------------|-------------------------|---------------------------|--------------|
| Port Louis | 921 | 176 | 1097 |
| Beau Bassin/Rose Hill | 503 | 72 | 575 |
| Quatre Bornes | 484 | 43 | 527 |
| Vacoas/Phoenix | 587 | 71 | 658 |
| Curepipe | 262 | 62 | 324 |
| SILWFund | 582 | 69 | 651 |
| Moka | 154 | - | 154 |
| Flacq | 215 | 6 | 221 |
| Pamplemousses | 198 | 4 | 204 |
| Riviere du Rempart | 204 | 16 | 220 |
| Grand Port | 263 | 2 | 265 |
| Savanne | 176 | 2 | 178 |
| Black River | 167 | 12 | 179 |
| Town & Country PB | 8 | - | 8 |
| SBFPProtection Fund | 10 | 3 | 13 |

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 2020/21 was as follows:

| | <u>30.06.2021</u> | <u>30.06.2020</u> |
|----------|-------------------|-------------------|
| Widows | 1152 | 1118 |
| Widowers | 26 | 22 |
| Orphans | 17 | 11 |
| | 1195 | 1151 |



Total pensions paid for the year ended 2020/2021 amounted to Rs84,977,381/- compared to Rs81,564,234/-- for the year ended 2019/2020, representing an increase of approximately 4.18%. 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.

| Year | Rs |
|------------------|-------------------------------|
| 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 |
| 2020/2021 | 84,977,381 |



3. Refund of Contribution

During the year 2020/2021, 125 associates obtained a full refund of contributions amounting to Rs17,549,615/, whilst in service, on grounds of age limit, dismissal and resignation and others. During 2019/20, the amount refunded was of the order of Rs9,476,286/.

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 Rs58,045,015/- for the year ended 2020/21 compared to Rs59,970,498/- for year ended 2019/20. There is a slight decrease representing approximately 3.2% is mainly attributable to an increase in retiring associates opting for a refund of contribution. Associates reaching age 60, have an option to stop employee contribution and on the other hand, all new employees are joining sicom pension scheme.

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 increased and stood at around Rs1,687 million as at 30 June 2021 compared to Rs1,663 million for the year ended 2019/2020 representing a rise of 15.7% which is justified by a rise 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 decreased from Rs67,631,791/ to Rs50,257,132/. Given the limited avenues for placement locally, it can be said that the level of Repo 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. The Fund has reviewed the Housing Loan regulations and brought down the interest rate by 2%.

(ii) Personal Loan

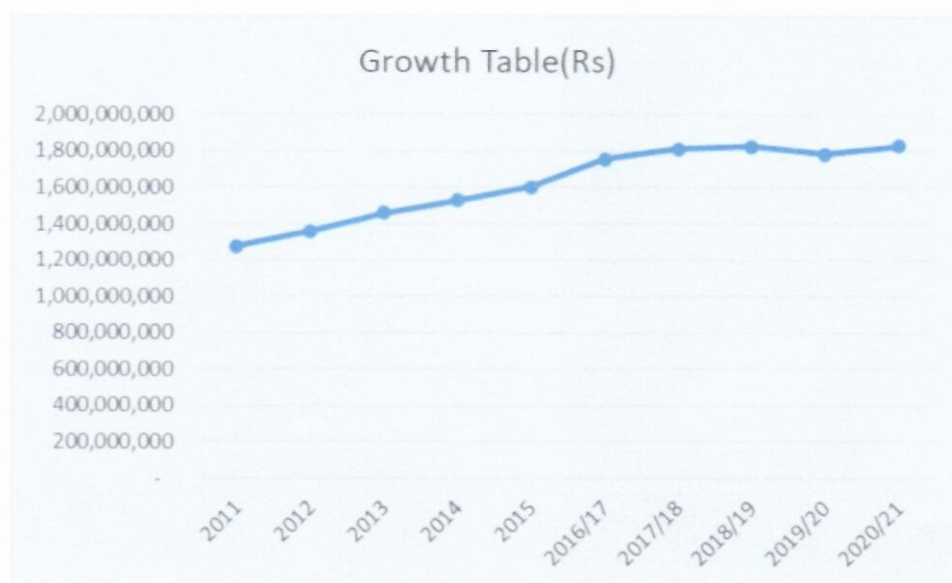
In the year 2011, the Fund has launched a Personal Loan Scheme of up to a maximum of Rs 100,000 per associate refundable over a period of 3 years. During the year 2020/21, the Fund has acknowledged around 212 applicants of personal loan, amounting to around Rs 16.7m. The amount of interest yielded from personal loan is around Rs2.6m at the existing rate of 9 % p.a. The Fund has reviewed the Personal Loan regulations and brought down the interest rate by 2%. Other amendments such as extending loan limit and loan period have been catered for.

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 deficit of income during the year. 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, a considerable fall in the market price of shares and dividend not received for the year. Over and above, due to pandemic conditions and related effects, the Fund has recorded a deficit of Rs 2.0 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 previous Boards for their support and contribution.



MANAGER

B. RAMNAWAZ

19.08.2022

MB

STATUTORY BODIES FAMILY PROTECTION FUND
FINANCIAL STATEMENTS

For the year ended

30 June 2021

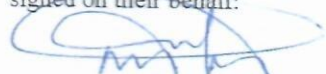
Amended

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

| | <u>Note</u> | <u>30 June 2021</u> | <u>30 June 2020</u> <u>(Restated)</u> |
|----------------------------------|-------------|----------------------|--|
| | | Rs | Rs |
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | 9 | 11,731,164 | 14,039,324 |
| Investment | 10 | 793,950,000 | 178,000,000 |
| Trade receivables | 11 | 89,460,486 | 17,212,057 |
| Loan receivables | 12 | 14,890,259 | 16,767,011 |
| Other receivables | 13 | 232,315 | 2,315 |
| | | 910,264,224 | 226,020,707 |
| Non-current assets | | | |
| Investment | 10 | 893,974,343 | 1,485,253,285 |
| Trade receivables | 11 | 41,936,511 | 92,880,857 |
| Loan receivables | 12 | 14,811,612 | 16,821,968 |
| Property, plant and equipment | 6 | 761,962 | 825,286 |
| Intangible assets | 7 | 362,439 | 633,909 |
| | | 951,846,867 | 1,596,415,305 |
| TOTAL ASSETS | | 1,862,111,091 | 1,822,436,012 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Creditors and payables | 15 | 2,830,303 | 2,433,595 |
| Short term employee benefits | 16 | 370,833 | 231,533 |
| | | 3,201,136 | 2,665,128 |
| Non-current liabilities | | | |
| Retirement benefits obligations | 14 | 20,579,903 | 28,409,747 |
| Long term employee benefits | 16 | 5,171,164 | 4,038,989 |
| | | 25,751,067 | 32,448,736 |
| TOTAL LIABILITIES | | 28,952,202 | 35,113,863 |
| NET ASSETS | | 1,833,158,889 | 1,787,322,149 |
| NET ASSETS / EQUITY | | | |
| Capital & Reserves | | | |
| Equity | | 1,521,892,186 | 1,518,726,503 |
| Revaluation reserve | 27 | 311,266,703 | 268,595,645 |
| TOTAL NET ASSETS / EQUITY | | 1,833,158,889 | 1,787,322,148 |

The Amended Financial Statements were approved by the Statutory Bodies Family Protection Fund
on 19.08.2022

signed on their behalf:



Virendra Kumarsingh DABY
CHAIRPERSON



Mr Vineshsing SEEPARSAD
BOARD MEMBER

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

STATUTORY BODIES FAMILY PROTECTION FUND

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021

| | <u>Note</u> | <u>30 June 2021</u> Rs | <u>30 June 2020</u> Rs |
|---------------------------------------|-------------|---------------------------|---------------------------|
| Revenue: Exchange Transactions | | | |
| Contribution | 18 | 58,045,015 | 59,970,498 |
| Other income | 20 | 2,949,861 | 3,195,563 |
| Investment income | 19 | 50,257,132 | 67,631,791 |
| Total Revenue | | 111,252,008 | 130,797,852 |
| <u>Less</u> | | | |
| Pensions | | 84,977,381 | 81,564,234 |
| Staff costs | 21 | 8,866,678 | 8,281,646 |
| Administrative expenses | 22 | 1,935,985 | 1,863,123 |
| Refund of contribution | | 17,549,616 | 9,476,287 |
| Total Expenditure | | 113,329,660 | 101,185,290 |
| Deficit of income | | (2,077,652) | 29,612,562 |

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

STATUTORY BODIES FAMILY PROTECTION FUND

STATEMENT OF CHANGES IN NET ASSETS/EQUITY FOR THE YEAR ENDED 30 JUNE 2021

| | Notes | Retained Earnings Rs | Revaluation Reserve Rs | Total Net Assets/Equity Rs |
|---|-------|----------------------------|------------------------------|----------------------------------|
| Balance as at 01 July 2019 | | 1,498,229,453 | 329,784,871 | 1,828,014,324 |
| Revaluation surplus/(loss) | | | (61,189,226) | (61,189,226) |
| Surplus of income for the year 2020 | | 29,612,562 | | 29,612,562 |
| Surplus on management expenses | | | | - |
| Depreciation adjustment | | 1,374,370 | | 1,374,370 |
| Actuarial gain(losses) on defined benefit plans | | (10,489,882) | | (10,489,882) |
| Restated Balance as at 30.06.20 | | 1,518,726,503 | 268,595,645 | 1,787,322,148 |
| Deficit of income for the year ended 30.06.2021 | | (2,077,652) | | (2,077,652) |
| Actuarial gain | | 5,243,335 | | 5,243,335 |
| Revaluation surplus/(loss) for the year 2021 | 27 | | 42,671,058 | 42,671,058 |
| Balance as at 30.06.2021 | | 1,521,892,186 | 311,266,703 | 1,833,158,889 |

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

STATUTORY BODIES FAMILY PROTECTION FUND

| CASH FLOW STATEMENT | | |
|---|---------------------|---------------------|
| FOR THE YEAR ENDED 30 JUNE 2021 | | |
| | 30 June 2021 | 30 June 2020 |
| | Rs | Rs |
| Cash generated from operations (Note 29.1) | (54,468,293) | (37,633,472) |
| Investing activities | | |
| New investments | (160,000,000) | |
| Investments encashed | 178,000,000 | |
| Dividend received | - | 14,963,999 |
| Interest received | 30,273,026 | 25,557,911 |
| Purchase of fixed assets | - | (10,817) |
| Loan refunded | 20,627,108 | 21,975,087 |
| New loan granted | (16,740,000) | (16,635,000) |
| Net cash from investing activities | 52,160,134 | 45,851,180 |
| (Decrease)/Increase in cash and cash equivalents | (2,308,160) | 8,217,708 |
| Movement in cash and cash equivalents | Rs | Rs |
| As at 01 July 2020 | 14,039,323 | 5,821,616 |
| (Decrease)/Increase | (2,308,160) | 8,217,707 |
| As at 30 June 2021 (Note 29.3) | 11,731,164 | 14,039,324 |

STATUTORY BODIES FAMILY PROTECTION FUND

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021

| | Original Budgeted Amounts Year ended 30.06.2021 | Actual Amounts on Comparable Basis | Variance: Original Budget/ Actual |
|--------------------------------|---|---|---|
| | Rs | Rs | Rs |
| INCOME | | | |
| Revenue | 57,720,000 | 58,045,015 | 325,015 |
| Investment | 205,190,000 | 50,257,132 | (154,932,868) |
| Other Income | 0 | 2949860.9 | 2,949,861 |
| | 262,910,000 | 111,252,008 | (151,657,992) |
| EXPENDITURE | | | |
| Pensions | 80,000,000 | 84,977,381 | (4,977,381) |
| Staff costs | 7,331,400 | 8,866,678 | (1,535,278) |
| Administrative expenses | - | | |
| Board's Fees | 450,000 | 409,469 | 40,531 |
| Printing & Stationery | 85,000 | 47,820 | 37,180 |
| Telephone | 60,000 | 51,563 | 8,437 |
| Electricity | 150,000 | 117,892 | 32,108 |
| Rent | 120,000 | 90,817 | 29,183 |
| Repairs & Maintenance | 550,000 | 241,500 | 308,500 |
| Insurance | 3,000 | 1,755 | 1,245 |
| General Expenses | 150,000 | 184,366 | (34,366) |
| Legal Fees | 135,000 | 126,500 | 8,500 |
| Audit Fees | 280,000 | 120,000 | 160,000 |
| Actuarial Fees | 465,000 | - | 465,000 |
| Entertainment Expenses | 25,000 | - | 25,000 |
| Supervisor of Works' Fees | 5,000 | - | 5,000 |
| Depreciation | 375,000 | 334,793 | 40,207 |
| Refund of Contributions | 17,200,000 | 17,549,616 | (349,616) |
| | 107,384,400 | 113,120,150 | (5,735,750) |
| EXPENDITURE CAPITALISED | | | |
| Furniture & Equipment | 200,000 | - | 200,000 |
| New System Development | 2,000,000 | - | 2,000,000 |
| | 2,200,000 | - | 2,200,000 |

STATUTORY BODIES FAMILY PROTECTION FUND

OPENING STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020 PRIOR TO ADOPTION OF FULL ACCRUALS IPSAS

| | <u>30 June 2020</u> |
|-------------------------------------|-----------------------------|
| | Rs |
| Assets | |
| Non-current assets | |
| Property, Plant and Equipment | 34,334 |
| Intangible Assets | 50,490 |
| Investment | 1,485,253,285 |
| Trade receivables | 92,880,857 |
| Loan receivables | 16,821,968 |
| | <u>1,595,040,934</u> |
| Current assets | |
| Cash and cash equivalents | 14,039,324 |
| Investment | 178,000,000 |
| Trade receivables | 17,212,057 |
| Loan receivables | 16,767,011 |
| Other receivables | 2,315 |
| | <u>226,020,707</u> |
| Total assets | <u><u>1,821,061,641</u></u> |
| Equity | |
| Reserves | |
| Retained earnings | 1,517,352,133 |
| Revaluation reserve | 268,595,645 |
| Total equity | <u><u>1,785,947,778</u></u> |
| Liabilities | |
| Non-current liabilities | |
| Retirement benefits obligations | 28,409,747 |
| Long term employee benefits | 4,038,989 |
| | <u>32,448,736</u> |
| Current liabilities | |
| Creditors and payables | 2,433,595 |
| Short term employee benefits | 231,533 |
| | <u>2,665,128</u> |
| Total liabilities | <u><u>35,113,864</u></u> |
| Total equity and liabilities | <u><u>1,821,061,641</u></u> |

STATUTORY BODIES FAMILY PROTECTION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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.

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

2 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 International Public Sector Accounting Standards (IPSAS) issued by the International Federation of Accountants (IFAC)

The SBFPFund applies IPSAS for the first time and elects to prepare comparative information. As a first time adoption, the SBFPFund also elects not to adopt the three Transitional Relief. The Financial statements fully complies with IPSAS.

(b) Reporting Period

The financial statements for the current period has been prepared for the 12 months ended 30 June 2021 with comparative information for the 12 months ended 30 June 2020.

(c) Going Concern

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

STATUTORY BODIES FAMILY PROTECTION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

3 ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimation involves judgments based on the latest available, reliable information and may need revision if changes occur in the circumstances on which the estimates were based or as a result of new information.

A change in an accounting estimate is recognized in the period of change if the change affects the period only or the period of change and future periods, if the change affects both. To the extent that a change gives rise to assets and liabilities or relates to an item of net assets/equity, it is recognized by adjusting the carrying amount of the related asset, liability, or net assets/equity in the period of the change.

4 STANDARDS ISSUED BUT NOT YET EFFECTIVE

At date of authorisation of financial statements, the following IPSAS were issued but not yet effective.

IPSAS 41 – Financial Instruments

(Effective January 2022)

IPSAS 41 will replace IPSAS 29 “Financial Instruments: Recognition and Measurement” and its objective is to establish new requirements for classifying, recognizing and measuring financial instruments. It is expected that the adoption of the new principles-based approach to classification and measurement will not have a major impact on the financial statements of the SBFPFund..

IPSAS 42 – Social Benefits

(Effective January 2022)

The objective of IPSAS 42 is to help users of financial statements to assess the nature of social benefits provided by an entity, the features of the operation of social benefit scheme and the impact of social benefits on the entity’s financial performance, financial position and cash flows.

This standard will not have an impact on the financial statements of the SBFPFund..

STATUTORY BODIES FAMILY PROTECTION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

5 SIGNIFICANT ACCOUNTING POLICIES

(a) Revenue Recognition

(i) Exchange Transactions

Revenue from exchange transactions are measured at the fair value of the consideration received or receivable and recognised as follows:

- Interest on a time proportion basis that considers the effective yield on the asset.
- Charges for use of assets (other than cash and cash equivalents) as they are earned in accordance with terms of the relevant agreement.

Contributions are collected by virtue of the provisions of the SBFP Fund Act 1966 and are used to finance pension cost. Contributions are deducted at source by way of 'check-off' from the salaries of members who are employed in the relevant institutions which fall under the purview of the Ministry of Local Government. These institutions include municipal and district councils as well as related institutions such as the Sugar Industry Labour Welfare Fund and the Town and Country Planning Board. Contributions which are received in arrears from the various institutions are accounted as trade receivables.

(b) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation.

- (i) Depreciation is calculated to write off the cost of property, plant and equipment on a straight-line basis over the expected useful lives of such assets. The annual depreciation rates used for the purpose are as follows: -

| Items: | Rates |
|----------------------|------------|
| Furniture & Fittings | 3.33% - 5% |
| Computer Equipment | 5% |
| Office equipment | 5% |
| Air Conditioners | 5% |

The Fund has revised the accounting policy in respect of depreciation and therefore the lives of tangible and intangible assets have been revised accordingly.

The above rates have been adopted pursuant to the approval of a new depreciation policy by the Board in the application of IPSAS. These rates will therefore be consistently applied in the future years.

- (ii) Full depreciation is charged in the year of acquisition and no depreciation is charged in the year of disposal.
- (iii) Property, Plant and equipment items costing less than Rs 5,000/- will not be capitalised.
- (iv) The respective lifetimes of those items of Property, Plant and equipment, that have been fully written-off but still in use, have been extended based upon management's estimate.

STATUTORY BODIES FAMILY PROTECTION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

c) Impairment of Tangible Assets

At each date of Statement of Financial Position, the Authority 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 Authority 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 recognized 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 recognized for the asset in prior years. A reversal of an impairment is recognized 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.

(d) Intangible Assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses. Computer software costs are recognised as intangible assets amortised using the straight-line method over their useful lives, exceeding a period of 5 years

(e) Financial instruments

Financial assets and liabilities are recognized on 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:

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.

STATUTORY BODIES FAMILY PROTECTION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

(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.

(iv) Cash and cash equivalents

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

(v) Creditors and payables

Creditors and payables are stated at their nominal value.

(f) Retirement Benefit Obligations

The Fund operates both a 'Defined Benefit' pension plan and a 'Defined Contribution' pension scheme.

1) Retirement Benefits under the Defined Benefit Pension Plan

The assets of the defined benefit pension plan are held independently and administered by the State Insurance Company of Mauritius Ltd (SICOM).

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 Method

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

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 the 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 2019/2020 and 2020/2021.

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. New entrants in the Fund as from 1 January 2013 contribute 6% of their salaries to the Scheme. The Fund contributes 12% of the salaries paid to the new entrants and such contributions are expensed to the Statement of Financial Performance in the period in which they fall due.

STATUTORY BODIES FAMILY PROTECTION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

g) **Provisions**

Provisions are recognized when the Authority 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.

h) **Use of estimates**

The preparation of financial statements in accordance with IPSAS and generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from these estimates.

i) **Related Parties**

For the purposes 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 2021

6 Property, plant and equipment

| | Furniture and fittings | Air conditioners | Computer equipment | Office equipment | Total |
|-----------------------------|---------------------------|---------------------|-----------------------|---------------------|------------------|
| COST | Rs | Rs | Rs | Rs | Rs |
| Opening Balance 01.07.2020 | 795,256 | 146,736 | 430,057 | - | 1,372,049 |
| Reclassification adj. | (84,350) | (72,756) | 127,269 | 29,837 | - |
| Restated Balance 01.07.2020 | 710,906 | 73,980 | 557,326 | 29,837 | 1,372,049 |
| Additions | - | - | - | - | - |
| Balance 30.06.2021 | 710,906 | 73,980 | 557,326 | 29,837 | 1,372,049 |
| DEPRECIATION | | | | | |
| Balance 01.07.2020 | 788,229 | 129,536 | 419,950 | - | 1,337,715 |
| Reclassification adj. | (111,655) | (55,557) | 137,375 | 29,837 | - |
| Restated Balance 01.07.2020 | 676,574 | 73,979 | 557,325 | 29,837 | 1,337,715 |
| Depreciation adj. | (384,967) | (44,166) | (346,537) | (15,281) | (790,951) |
| Charge for the year | 29,446 | 3,699 | 28,686 | 1,492 | 63,323 |
| Balance 30.06.2021 | 321,053 | 33,513 | 239,474 | 16,047 | 610,087 |
| NET BOOK VALUE | | | | | |
| At 30.06.2020 (Restated) | 419,300 | 44,166 | 346,538 | 15,282 | 825,286 |
| At 30.06.2021 | 389,853 | 40,468 | 317,852 | 13,790 | 761,962 |

7 INTANGIBLE ASSETS

Intangible Assets represent cost of software in relation to the project to computerize the manual processes previously in place at the Fund.

| | |
|--------------------------|------------------|
| INTANGIBLE ASSETS | Software |
| COST | Rs |
| Balance 01.07.2020 | 2,714,705 |
| Additions | - |
| Balance 30.06.2021 | 2,714,705 |
| AMORTISATION | |
| Balance 01.07.2020 | 2,664,215 |
| Depreciation adjustment | (583,419) |
| Charge for the year | 271,470 |
| Balance 30.06.2021 | 2,352,266 |
| NET BOOK VALUE | |
| At 30.06.2020 (Restated) | 633,909 |
| At 30.06.2021 | 362,439 |

STATUTORY BODIES FAMILY PROTECTION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

8 FINANCIAL RISK MANAGEMENT

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.

STATUTORY BODIES FAMILY PROTECTION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

| | <u>30 June 2021</u> | <u>30 June 2020</u> |
|-------------------------------------|---------------------|---------------------|
| | Rs | Rs |
| 9. Cash and cash equivalents | | |
| Petty cash | 4,190 | 137 |
| Cash at bank-current account | 11,726,974 | 14,039,186 |
| | <u>11,731,164</u> | <u>14,039,324</u> |

10. **Investment**

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

| | <u>30 June 2021</u> | | <u>30 June 2020</u> | |
|--|---------------------|--------------------|----------------------|----------------------|
| | Rs | Rs | Rs | Rs |
| <u>Investment-Fixed Deposits</u> | Current asset | Non-Current | Total | Total |
| Sicom Financial Services Limited | 253,950,000 | | 253,950,000 | 431,950,000 |
| Mauritius Civil Service Mutual Aid Ass | 30,000,000 | 171,000,000 | 201,000,000 | 201,000,000 |
| MAUBANK | 371,000,000 | | 371,000,000 | 371,000,000 |
| ABC | - | 70,000,000 | 70,000,000 | 70,000,000 |
| Bank One | - | 110,500,000 | 110,500,000 | 110,500,000 |
| MHC | 139,000,000 | 228,000,000 | 367,000,000 | 207,000,000 |
| | <u>793,950,000</u> | <u>579,500,000</u> | <u>1,373,450,000</u> | <u>1,391,450,000</u> |

| <u>Shares</u> | <u>No. of shares</u> | <u>Market price</u> | <u>30 June 2021</u> | <u>30 June 2020</u> |
|---------------|----------------------|---------------------|----------------------|----------------------|
| | | Rs | Rs | Rs |
| MCB Ltd | 1,149,731 | 273.00 | 313,876,563 | 271,221,543 |
| Fincorp Ltd | 29,160 | 20.50 | 597,780 | 581,742 |
| | | | <u>314,474,343</u> | <u>271,803,285</u> |
| | | | <u>1,687,924,343</u> | <u>1,663,253,285</u> |

| | | |
|------------------------------|---------------------|---------------------|
| 11. Trade receivables | <u>30 June 2021</u> | <u>30 June 2020</u> |
| | Rs | Rs |

Receivables represent contributions and interest due at year end.

| | | |
|----------------------------------|--------------------|--------------------|
| Contributions receivable | 2,210,356 | 3,840,242 |
| Interest receivable (short term) | 87,250,130 | 13,371,815 |
| Trade receivables | 89,460,486 | 17,212,057 |
| Interest receivable (long term) | 41,936,511 | 92,880,857 |
| | <u>131,396,997</u> | <u>110,092,914</u> |

STATUTORY BODIES FAMILY PROTECTION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

12 **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 2021, the amount of non-performing loans under legal suit was Rs 166,500.

| | <u>30 June 2021</u> | <u>30 June 2020</u> |
|---|---------------------|---------------------|
| | Rs | Rs |
| Current assets | | |
| Personal loan | 14,307,616 | 16,007,927 |
| Housing loan | 495,976 | 544,798 |
| Car loan | 86,667 | 214,286 |
| Total current assets | 14,890,259 | 16,767,011 |
| Non current assets | | |
| Personal loan | 12,751,661 | 13,682,437 |
| Housing loan | 2,059,951 | 3,139,531 |
| Car loan | - | - |
| Total non-current assets | 14,811,612 | 16,821,968 |
| Personal loan scheme | 27,059,277 | 29,690,364 |
| Housing loan scheme | | |
| Municipality of Port Louis | 938,807 | 1,145,995 |
| Municipality of Beau Bassin/Rose Hill | 334,321 | 403,655 |
| Municipality of Quatre Bornes | - | - |
| Municipality of Vacoas/Phoenix | 106,048 | 211,255 |
| Municipality of Curepipe | 249,101 | 58,299 |
| Sugar Industry Labour Welfare Fund | 113,554 | 157,895 |
| Moka District Council | - | - |
| Flacq District Council | 323,492 | 615,451 |
| Pam District Council | - | 85,855 |
| Riv Du Rempart DC | 218,453 | 237,728 |
| Grand Port District Council | 173,597 | 232,948 |
| Savanne District Council | 85,051 | 252,657 |
| Town & Country Planning Board | - | 37,807 |
| Black River District Council | 13,503 | 17,315 |
| Statutory Bodies Family Protection Fund | - | 227,469 |
| | 2,555,927 | 3,684,329 |
| Car Loan | | |
| Statutory Bodies Family Protection Fund | 86,667 | 214,286 |
| Total loan receivables | 29,701,871 | 33,588,979 |

13. **Other receivables**

| | | |
|---------------------|----------------|--------------|
| Maintenance Prepaid | 230,000 | - |
| Security deposit | 2,315 | 2,315 |
| | 232,315 | 2,315 |

STATUTORY BODIES FAMILY PROTECTION FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

14 Figures for IPSAS 39 adoption

| | 30 Jun 2021 | 30 June 2020 |
|--|--------------------|---------------------|
| | Rs | Rs |
| Amounts recognised in the balance sheet: | | |
| Present value of obligations | 34,171,959 | 38,193,448 |
| Fair value of plan assets | (13,592,056) | (9,783,701) |
| Effect on asset ceiling | - | - |
| Deficit (surplus) on obligations | 20,579,903 | 28,409,747 |
| Net cost for the period: | | |
| Current service cost | 815,870 | 1,481,559 |
| Net interest cost | 650,522 | 503,101 |
| Fund expenses & life insurance | 41,220 | 87,561 |
| Contributions by employees | (264,707) | (261,506) |
| Past service cost | - | - |
| Curtailment / settlement (gain) loss | - | - |
| Net cost for the year recognised in profit & loss | 1,242,905 | 1,810,715 |
| Remeasurement recognised in OCI | (5,243,335) | 10,489,882 |
| Net cost for period | (4,000,430) | 12,300,597 |
| Net interest cost for the year : | | |
| Interest on obligation | 1,000,522 | 793,980 |
| Expected return on plan assets | 350,000 | (290,879) |
| Net interest cost | 650,522 | 503,101 |
| <i>Remeasurement recognised in OCI for period :</i> | | |
| Actuarial gains (losses) on the obligation | 4,821,389 | (10,907,598) |
| Actuarial gains (losses) on plan assets | 421,947 | 417,716 |
| Any change in effect of the asset ceiling, excluding amounts included in net interest cost | - | - |
| Remeasurement recognised in OCI - Gain/(Losses) | 5,243,336 | (10,489,882) |
| Changes in the Present Value of the Obligation | | |
| Present value of obligation at start of period | 38,193,448 | 26,013,754 |
| Restatement | - | - |
| Interest cost | 1,000,522 | 793,980 |
| Current service cost | 815,870 | 1,481,559 |
| Past service cost | - | - |
| Benefits paid | (1,016,492) | (1,003,443) |
| Fund expenses & life insurance | - | - |
| Curtailment / settlement (gain) loss on obligation | - | - |
| Expected obligation at end of period | 38,993,348 | 27,285,850 |
| Present value of obligation at end of period | 34,171,959 | 38,193,448 |
| Remeasurement recognised in OCI at end of period - Gain/(Losses) | 4,821,389 | (10,907,598) |

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 2021

Figures for IPSAS 39 adoption

| | <u>30 Jun 2021</u> | <u>30 June 2020</u> |
|--|--------------------|---------------------|
| | Rs | Rs |
| Changes in the Fair Value of the Plan Assets | | |
| Fair value of plan assets at start of period | 9,783,701 | 9,381,593 |
| Restatement | - | - |
| Expected return on plan assets | 350,000 | 290,879 |
| Contributions to plan assets | 4,094,120 | 784,517 |
| Benefits paid out of plan assets | (1,016,492) | (1,003,443) |
| Fund expenses & life insurance | (41,220) | (87,561) |
| Expected fair value at end of period | 13,170,109 | 9,365,985 |
| Fair value of plan assets at end of period | 13,592,056 | 9,783,701 |
| Remeasurement recognised in OCI at end of period - (Gain)/Losses | (421,947) | (417,715) |
| Major Asset Categories as Percentage of Plan Assets | | |
| Government securities and cash | 52% | 59.5% |
| Loans | 2.8% | 3.0% |
| Local equities | 14.5% | 12.3% |
| Overseas bonds and equities | 30.2% | 24.6% |
| Property | 0.5% | 0.6% |
| Total | 100% | 100% |
| Principal actuarial assumptions at end of period: | | |
| Normal Retirement Age | 65 | 65 |
| Discount rate | As per table | As per table |
| Expected rate of return on plan assets | As per table | As per table |
| Future salary increases | 1% | 1% |
| Future pension increases | 1% | 1% |
| Future NPF salary increases | - | - |
| Deferred pension increases | - | - |
| Annual proportion of employees leaving service | Nil | Nil |
| Actuarial table for employee mortality | PMA92_PFA92 | PMA92_PFA92 |
| Movements in liability recognised in balance sheet: | | |
| Net liability at start of period | | |
| - as previously reported | 28,409,747 | 16,632,161 |
| - effect of restatement | - | - |
| - as restated | 28,409,747 | 16,632,161 |
| Net expense recognised in profit or loss | 1,242,905 | 1,810,715 |
| Net actuarial (gains) losses recognised in OCI | (5,243,335) | 10,489,882 |
| Contributions & direct benefits paid | (3,829,414) | (523,011) |
| Net liability at end of period | 20,579,903 | 28,409,747 |
| Experience adjustments on: | | |
| Plan liabilities | (4,129,966) | (6,347,070) |
| Plan assets | (421,947) | (417,716) |

STATUTORY BODIES FAMILY PROTECTION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

| <u>Figures for IPSAS 39 adoption</u> | <u>30 June 2021</u> | <u>30 June 2020</u> |
|---|---------------------|---------------------|
| | Rs | Rs |
| Sensitivity | | |
| Effect on present value of obligations | | |
| 1% Increase in discount rate | 30,498,485 | 33,334,949 |
| 1% Decrease in discount rate | 38,623,935 | 44,241,481 |
| 1% Increase in salary increase assumption | 35,982,878 | 40,657,556 |
| 1% Decrease in salary increase assumption | 32,544,460 | 36,009,542 |
| Effect of changing longevity - rate up | 33,237,437 | 36,968,480 |
| Effect of changing longevity - rate down | 35,106,369 | 39,430,584 |

Data summary as at 30 June 2021

Active employees - Members of DB pension scheme

| Monthly Gender | Number | Average age | Average service salary (Rs) |
|--------------------|----------|-------------|--------------------------------|
| M | 3 | 49.9 | 23.3 104,175 |
| F | 6 | 50.8 | 26.0 301,575 |
| Grand Total | 9 | 50.5 | 25.1 405,750 |
| Pensioners | | | |

| Gender | Number | Average age | Monthly pension (Rs) |
|--------------------|----------|-------------|-------------------------|
| M | 2 | 68.9 | 66,050 |
| F | 1 | 61.8 | 16,500 |
| Grand Total | 3 | 66.6 | 82,550 |

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 2021.
- ☐ An actuarial loss on obligations of Rs 4.82m 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 2021.
The liabilities of each member have been discounted based on their respective projected term to retirement and their corresponding discount rate.

| | Discount Rates | |
|-------------|----------------|--------|
| Future Term | Jun-21 | Jun-20 |
| 5 year | 3.15% | 2.14% |
| 10 year | 4.32% | 2.53% |
| 15 year | 4.80% | 2.87% |
| 20 year | 5.05% | 3.12% |

Discount Rate (for illustrative purposes only): 5.01%

Weighted Average Term of Liabilities: 23 years

STATUTORY BODIES FAMILY PROTECTION FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

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 2021

| | <u>30 June 2021</u> | <u>30 June 2020</u> |
|--|---------------------|---------------------|
| | Rs | Rs |
| 15. Creditors and payables | | |
| Sundry creditors – pension payable | 1,459,006 | 703,681 |
| Expenses accrued -personal loan expenses | 334,255 | 347,021 |
| Actuarial fees | - | 465,000 |
| Audit fees | 510,000 | 390,000 |
| Legal fees | 43,125 | 43,125 |
| Loan Refundable | 472,406 | 479,995 |
| Board Fees | - | - |
| Electricity, telephone& others | 11,511 | 4,772 |
| | <u>2,830,303</u> | <u>2,433,595</u> |
| 16. Employee benefits | | |
| Short term employee benefits | | |
| Passage benefits | 231,395 | 231,533 |
| Bank sick leave | 139,438 | - |
| | <u>370,833</u> | <u>231,533</u> |
| Long term employee benefits | | |
| Passage Benefits | 258,478 | |
| Bank vacation leave | 2,530,351 | 2,211,164 |
| Bank sick leave | 2,382,335 | 1,827,825 |
| | <u>5,171,164</u> | <u>4,038,989</u> |
| 17. 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 2021

| 18. Revenue | | <u>30 June 2021</u> | <u>30 June 2020</u> |
|--------------------------------------|----------|---------------------|---------------------|
| | | Rs | Rs |
| Contributions | | | |
| Municipality of Port Louis | Employee | 5,135,221 | 5,271,386 |
| | Employer | 6,099,130 | 6,162,367 |
| Municipality of BBassin/RHill | Employee | 2,838,997 | 3,101,272 |
| | Employer | 3,242,694 | 3,195,394 |
| Municipality of Quatre Bornes | Employee | 2,769,609 | 2,947,638 |
| | Employer | 3,036,585 | 3,291,959 |
| Municipality of Vacoas/Phoenix | Employee | 3,251,008 | 3,327,242 |
| | Employer | 3,695,496 | 3,743,887 |
| Municipality of Curepipe | Employee | 1,656,681 | 1,704,211 |
| | Employer | 2,054,077 | 2,155,095 |
| Sugar Industry Labour Welfare Fund | Employee | 3,157,099 | 3,306,817 |
| | Employer | 3,656,072 | 3,789,016 |
| Moka District Council | Employee | 1,009,912 | 1,068,405 |
| | Employer | 1,009,912 | 1,068,405 |
| Flacq District Council | Employee | 1,300,599 | 1,308,441 |
| | Employer | 1,341,299 | 1,368,309 |
| Pam District Council | Employee | 1,218,621 | 1,274,404 |
| | Employer | 1,234,569 | 1,289,823 |
| Riv du Rempart D Council | Employee | 1,235,439 | 1,257,996 |
| | Employer | 1,324,081 | 1,386,492 |
| Grand Port District Council | Employee | 1,548,555 | 1,560,946 |
| | Employer | 1,551,845 | 1,565,644 |
| Savanne District Council | Employee | 1,065,715 | 1,135,467 |
| | Employer | 1,089,287 | 1,204,383 |
| Black River District Council | Employee | 1,070,843 | 1,076,355 |
| | Employer | 1,110,158 | 1,076,355 |
| Town and Country Planning Board | Employee | 77,818 | 89,120 |
| | Employer | 77,818 | 89,120 |
| SBFP Fund | Employee | 67,968 | 67,236 |
| | Employer | 117,906 | 87,312 |
| Total contribution Receivable | | 58,045,015 | 59,970,498 |

STATUTORY BODIES FAMILY PROTECTION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

| | | |
|---|----------------------------|----------------------------|
| 19. Revenue | | |
| <u>Revenue from investment</u> | | |
| Revenue from investment comprises of interest received from investment on fixed deposit and dividend from shares. | <u>30 June 2021</u> | <u>30 June 2020</u> |
| | Rs | Rs |
| <u>Investment interests</u> | | |
| Sicom Financial Services Limited | 15,933,089 | 17,686,900 |
| Mauritius Civil Service Mutual Aid Associations | 6,924,000 | 7,194,904 |
| MAUBANK | 14,180,000 | 14,180,000 |
| ABC Banking Corporation | 2,625,000 | 2,625,000 |
| Bank One | 4,143,749 | 4,143,750 |
| MHC | 6,451,294 | 6,837,238 |
| <u>Dividend from shares</u> | | |
| MCB Ltd | - | 14,946,503 |
| Fincorp Ltd | - | 17,496 |
| Total Investment Income | <u>50,257,132</u> | <u>67,631,791</u> |
| Total Revenue | | <u>127,602,289</u> |
| 20. Other income | <u>30 June 2021</u> | <u>30 June 2020</u> |
| | Rs | Rs |
| Interest on car loan | 15,946 | - |
| Interest on housing loan | 279,820 | 339,669 |
| Interest on personal loan | 2,654,095 | 2,833,291 |
| Miscellaneous revenue | - | 22,604 |
| | <u>2,949,861</u> | <u>3,195,563</u> |

STATUTORY BODIES FAMILY PROTECTION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

| | <u>30 June 2021</u> | <u>30 June 2020</u> |
|--|---------------------|---------------------|
| 21. Surplus from operations | | |
| Surplus of income for the year is arrived at after charging the following item | Rs | Rs |
| Staff costs | 8,866,678 | 8,281,646 |
| Administrative expenses | 1,935,985 | 1,863,123 |
| | 10,802,663 | 10,144,769 |
| | | |
| No. of employees at end of year | 10 | 10 |
| | | |
| Staff cost includes: | <u>30 June 2021</u> | <u>30 June 2020</u> |
| | Rs | Rs |
| Salaries | 6,261,707 | 5,596,412 |
| Travelling | 647,520 | 528,285 |
| National savings fund | 58,326 | 55,625 |
| Passage benefits | 258,340 | 176,768 |
| Fund's staff contribution | 121,776 | 87,312 |
| Retirement benefit obligation | 1,242,905 | 1,287,704 |
| CSG | 252,906 | - |
| Sicom Group pension | - | - |
| Staff pension | 23,198 | 549,540 |
| | 8,866,678 | 8,281,646 |
| | | |
| 22. Administrative expenses | <u>30 June 2021</u> | <u>30 June 2020</u> |
| | Rs | Rs |
| Printing and stationery | 47,820 | 100,116 |
| Electricity | 117,892 | 106,955 |
| Telephone | 51,563 | 55,842 |
| Rent | 90,817 | 107,329 |
| General expenses | 184,366 | 137,553 |
| Insurance | 1,755 | 1,755 |
| Training | 13,973 | 26,474 |
| Board fees | 409,469 | 369,165 |
| Maintenance IT | 241,500 | 437,000 |
| Miscellaneous Exps | 24,639 | - |
| Legal fees | 126,500 | 63,125 |
| Pension of retired Secretary | 81,575 | 78,899 |
| Auditor's remuneration | 120,000 | 180,000 |
| Actuaries' fees | - | - |
| Depreciation | 334,793 | 139,768 |
| Bank charges | 89,323 | 32,792 |
| Suspense A/C Written off | - | 26,350 |
| | 1,935,985 | 1,863,123 |

STATUTORY BODIES FAMILY PROTECTION FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

| | <u>30 June 2021</u> | <u>30 June 2020</u> |
|--|---------------------|---------------------|
| | Rs | Rs |
| 23. Statutory contributions to management expenses | | |
| Opening accruals | (3,840,242) | (2,328,791) |
| Contributions received | 59,680,892 | 58,673,977 |
| Closing accruals | 2,210,357 | 3,840,242 |
| | <u>58,051,007</u> | <u>60,185,428</u> |

Statutory contributions to management expenses
is 20% of contributions receivable.

11,610,201 12,037,086

24. Related party transactions

(i) Remuneration to management

| | <u>30 June 2021</u> | <u>30 June 2020</u> |
|---------------------|---------------------|---------------------|
| | Rs | Rs |
| Chairman/board fees | 409,469 | 369,165 |
| Salary Manager | 1,244,880 | 1,244,880 |
| | <u>1,654,349</u> | <u>1,614,045</u> |

Monthly Rate

| | | | |
|--------------------------|--------|----------------|----------------|
| Chairman fees | 28,728 | 344736 | 344,736 |
| Board/sub committee fees | | 64733 | 24,429 |
| Board member fee | 850 | | |
| Secretary/board | 1,165 | | |
| Sub committee member | 775 | | |
| Chairman sub committee | 1,140 | | |
| Secretary/ sub committee | 585 | | |
| Travelling | 200 | | |
| | | <u>409,469</u> | <u>369,165</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 2021

25 Personal loan

| | <u>30 June 2021</u> | <u>30 June 2020</u> |
|------------------------|---------------------|---------------------|
| | Rs | Rs |
| Opening balance | 29,690,364 | 33,715,540 |
| Loan granted | 16,740,000 | 17,212,616 |
| Loan refunded | (19,524,635) | (21,237,793) |
| Transfers | 149,806 | - |
| Closing balance | 27,055,535 | 29,690,364 |

26. Car loan

| | <u>30 June 2021</u> | <u>30 June 2020</u> |
|------------------------|---------------------|---------------------|
| | Rs | Rs |
| Opening balance | 214,286 | 630,040 |
| Loan granted | - | - |
| Loan refunded | (127,619) | 415,754 |
| Transfers | - | - |
| Closing balance | 86,667 | 214,286 |

26(a) Housing Loan

| | <u>30 June 2021</u> | <u>30 June 2020</u> |
|------------------------|---------------------|---------------------|
| | Rs | Rs |
| Opening balance | 3,680,586 | 4,583,487 |
| Loan granted | - | - |
| Loan refunded | (1,784,477) | (1,505,547) |
| Transfers | 659,817 | 602,647 |
| Closing balance | 2,555,926 | 3,680,587 |

| | | |
|------------------------|------------------|------------------|
| Loan interest received | <u>2,949,861</u> | <u>2,833,291</u> |
|------------------------|------------------|------------------|

27. Revaluation reserves

27.1. Shares

| | <u>No. of shares</u> | <u>Market price</u> | <u>30 June 2021</u> | <u>30 June 2020</u> | <u>Gain/(Loss)</u> |
|-------------|----------------------|---------------------|---------------------|---------------------|--------------------|
| | | Rs | Rs | Rs | Rs |
| MCB shares | 1,149,731 | 273 | 313,876,563 | 271,221,543 | 42,655,020 |
| Fincorp Ltd | 29,160 | 20.50 | 597,780.00 | 581,742 | 16,038 |
| | | | <u>314,474,343</u> | <u>271,803,285</u> | <u>42,671,058</u> |

28 Surplus on Management Expenses

| | <u>30 June 2021</u> | <u>30 June 2020</u> |
|-------------------------|---------------------|---------------------|
| | Rs | Rs |
| Statutory contributions | 11,610,201 | 12,037,086 |
| <u>Less</u> | | |
| Staff costs | 8,866,678 | 8,281,646 |
| Administrative expenses | 1,935,985 | 1,863,123 |
| | <u>10,802,664</u> | <u>10,144,770</u> |
| Surplus | 807,538 | 1,892,316 |

STATUTORY BODIES FAMILY PROTECTION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

29. CASH FLOW STATEMENT

29.1 Cash flows from operating activities

| | <u>30 June 2021</u> | <u>30 June 2020</u> |
|---|---------------------|---------------------|
| | Rs | Rs |
| Cash flows from operating activities | | |
| (Deficit) / Surplus for the year | (2,077,652) | 27,720,245 |
| Surplus in management expenses account | - | 1,892,316 |
| | (2,077,652) | 29,612,561 |
| Non-Cash Movements: | | |
| Depreciation | 334,793 | 139,768 |
| Actuarial Gain/(losses) on benefit plan | 5,243,335 | (10,489,882) |
| (Decrease)/increase in retirement benefit obligations | (7,829,844) | 11,777,586 |
| Dividend received | - | (14,963,999) |
| Interest received on investments and loans | (30,273,026) | (25,557,911) |
| | (34,602,395) | (9,481,877) |
| (Increase) in trade receivables | (21,304,083) | (28,406,402) |
| (Increase)/ Decrease in other receivables | (230,000) | - |
| (Decrease)/Increase in creditors and payables | 396,709 | 196,531 |
| (Decrease) in employee benefits | 1,271,475 | 58,276 |
| | (19,865,899) | (28,151,595) |
| Cash generated from operations | (54,468,293) | (37,633,472) |

29.2 Non cash transactions

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

29.3 Cash and cash equivalents

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

| | <u>30 June 2021</u> | <u>30 June 2020</u> |
|---------------------------------|---------------------|---------------------|
| | Rs | Rs |
| Cash in hand and at bank | <u>11,731,164</u> | <u>14,039,323</u> |

STATUTORY BODIES FAMILY PROTECTION FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

30 BUDGET NOTES

30.1 Revenue

Revenue comprises contributions receivable from Associates. Revenue has increased due to increments and compensations.

30.2 Investment Income

The amount budgeted of Rs 205.1 M represents cumulative interest on investments from date of placement till 30 June 2021; whereas the actual investment income represents only one year's interest as the financial statements are prepared on an accruals basis.

30.3 Other Income

The variance of Rs 2.9 M relates to interest accrued on loans granted.

30.4 Pensions

Pension represents amounts payable to beneficiaries of deceased Associates. The variance of Rs 4.9 M represents increase in number of beneficiaries and increase in compensation to beneficiaries.

30.5 Staff Costs

The variance of Rs 4.2 M is explained by the following two main variances:

- (i) Rs 7.8 M representing entry for retirement benefit obligations (decrease in staff costs); and,
- (ii) Rs 3.3 M contribution made into the SICOM group pension (increase in staff costs).

30.6 Electricity

A lower consumption was registered due to the lockdown period. Moreover, a higher amount was budgeted to cater for possible increase in electricity tariff.

30.7 Rent

A higher amount was budgeted in view of expected increase in rent.

30.8 General Expenses

Variance of Rs 34,366 is mainly explained by expenses incurred in the purchase of sanitary items such as alcohol, masks, sanitizers, etc.

30.9 Legal Fees

A higher amount was budgeted in view of expected increase in legal fees.

30.1 Actuarial Fees

The report of the Actuary was not completed.

30.11 Entertainment

No end of year party was organised.

30.12 Depreciation

Assets still in use but fully depreciated at year end were revalued by Management. This revaluation gave rise to higher depreciation figure.

30.13 Refund of Contributions

Refunds relating to previous financial year could not be made due to lockdown and were effected in the in the current year.

30.14 Other Expenses

The other are not material.