



**REPORT OF THE
DIRECTOR OF AUDIT**

**On the Financial Statements
of the Statutory Bodies Family Protection Fund
for the year ended 30 June 2023**

NATIONAL AUDIT OFFICE



Republic of Mauritius

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 the Statutory Bodies Family Protection Fund, which comprise the statement of financial position as at 30 June 2023, statement of financial performance, statement of changes in net assets/equity, cash flow statement, statement of comparison 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 2023, and of its financial performance and cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSASs).

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 IPSASs, 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;
- (c) satisfactory management measures have been taken to ensure that resources are procured economically and utilised efficiently and effectively; and
- (d) the provisions of Part V of the Public Procurement Act regarding the bidding process have been complied with.

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.

Opinion on Compliance

Statutory Bodies Family Protection Fund Act

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 the 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.

Public Procurement Act

In my opinion, the provisions of Part V of the Act have been complied with as far as it could be ascertained from my examination of the relevant records.



DR D. PALIGADU
Director of Audit

National Audit Office
Level 14,
Air Mauritius Centre
PORT LOUIS

6 September 2024

STATUTORY BODIES FAMILY PROTECTION FUND

ANNUAL REPORT FOR THE YEAR ENDED

30 JUNE 2023 (Amended)



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STATUTORY BODIES FAMILY PROTECTION FUND

Annual Report for the Year 2022/2023

Corporate Governance Report

Compliance Statement:

Reporting Period: 1 July 2022 to 30 June 2023

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 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

Actively 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 follow ups.

Ensures that the shareholders' interests are taken care of and acts as primary point of contact.

Profile of Directors**1. Dr Dhanandjay KAWOL**

Dr. Dhanandjay KAWOL is the Chairperson of the Board since March 2023. He is the Senior Chief Executive of the Ministry of Local Government and Disaster Risk Management.

2. Mr Nagen MOOTOOSAMY

Mr N Mootoosamy is the Mayor of the Municipal Council of Quatre Bornes and is the representative of Association of Urban Authorities.

3. Mr. Vageesh RAMDUNY

Mr V Ramduny is the Vice-Chairperson of the Moka District Council and is the representative of the Association of District Councils.

4. Mr Rajcoomar GUNGADEEN

Mr R Gungadeen is the Chief Executive at the Municipal Council of Quatre Bornes and is the representative of Association of Urban Authorities.

5. Mr Dheeraj GOPAUL

Mr D Gopaul is the Chief Executive of Flacq District Council and is the representative of the Association of District Councils

6. Mr M Saahir ACKBURALLY

Mr M S Ackburally is the Secretary of Union of Municipalities Workers.

He is employed at the Municipal Council of Port Louis.

7. Mrs Vidwantee MATHOORAH

Mrs V MATHOORAH is employed at the Sugar Industry Labour Welfare Fund as Office Management Assistant and holds a MBA in Finance and Investment. She is a member of the SILWF Staff and Employees Union.

8. Mr Vijay Anand KALLOOA

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

9. Mr Premchand GUYA

Mr P GUYA is a member of the Rural Government Staff Association. He is employed at Savanne District Council

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.

Mr Chandrakant SEERUTTUN-Assistant Manager/Accountant

Mr C SEERUTTUN is a Fellow Chartered Accountant with considerable expertise in Accounting. He joined the Fund in Nov 2022. Prior to his current role, he has worked in Private sector, different Ministries/Department and Parastatal Body.

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 2022 to February 2023 constituted as follows:

Mr V. K DABY- Chairperson
Mr M.M. CADERSAIB-Member
Mr V.RAMDUNY-Member
Mr V SEEPARSAD-Member
Mr D GOPAUL-Member
Mr D SIVADILINGOM-Member
Mrs S RUTTUN-Member
Mr S MUNGROO-Member
Mr R CANAYAH-Member

The Board Structure for the period March to June 2023 constituted as follows:

Dr D KAWOL- Chairperson
Mr N MOOTOOSAMY-Member
Mr V. RAMDUNY-Member
Mr R GUNGADEEN-Member
Mr D GOPAUL-Member
Mr S. ACKBURALLY-Member
Mrs V. MATHOORAH-Member
Mr V.A. KALLOOA-Member
Mr P. GUYA-Member

Sub-Committees of the Board w.e.f 01.07.2022

Staff Committee 2022/23 composed of:

Mr D. GOPAUL -Chairman
Mr V. RAMDUNY-Member
Mr V.A. KALLOOA-Member
Mr P. GUYA -Member

Audit Committee 2022/23 composed of:

Mr. R GUNGADEEN-Chairman
Mr N MOOTOOSAMY- Member
Mr M.S. ACKBURALLY -Member
Mrs V. MATHOORAH-Member

Investment Committee: 2022/23

Mr R BULDEWO FCCA-Chairperson
Mr G CHARLES OR Mr I NUNLOLL FCCA-Member
Mr Raj APPADOO-PFO Member
Mrs Mirella Bundhun-Secretary

Risk Management Committee;2022/23

Mrs K SEEBUNDHUN-Chairperson
Mr R APPADOO-Member
Mr C SEERUTTUN-Member
Mr S. JOOMRUTTUN-Member

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

Auditor: National Audit Office

Board Committees 2022/2023

Number of Board Meetings held during the year: EIGHT
Number of Audit Committees held during the year: TWO
Number of Staff Committees held during the year: SIX
Number of Investment Committees held during the year: NINE
Number of Risk Management Committees held during the year: TWO

Attendance at Board and sub committees meetings during the financial year 2022/2023:

Name	Committees						
	Board	Staff	Audit	Investment	RiskManagement	All	Fees
	Presences	Presences	Presences	Presences	Presences	Absences	Jul 2022 to Jun2023
<u>From July to Feb 2023</u>							Rs
Mr V.K.DABY	7	-	-	-	-		220,846
Mr M.M. CADERSAIB	6	4	-	-		1	24,056
Mr V. RAMDHUNY	-	-		-		7	6,309
Mr V SEEPARSAD	7	4	-	-			25,562
Mr D GOPAUL	4	2		-		3	17,781
Mrs S RUTTUN	1	-		-		6	9,713
Mr D SIVADILINGOM	7	2	-	-	-		20,270
Mr S MUNGROO	6	2	-	-		1	19,480
Mr R CANAYAH	4	2		-		3	11,773
<u>From Mar to June 2023</u>							-
Dr D. KAWOL	1	-	-	-	-		88,000
Mr N MOOTOOSAMY	-	-	-			3	-
Mr V. RAMDHUNY	-	-	-	-		2	-
Mr R GUNGADEEN	-	-	2			1	719
Mr D GOPAUL	1	1		-			-
Mrs V. MATHOORAH	1		2	-			-
Mr S. ACKBURALLY	1	-	2				3,656
Mr V.A. KALLOOA	1	1	-		-		
Mr P. GUYA	1	1	-	-			
<u>From Jul to June 2023</u>							
Mr R BULDEWO				9			15,400
Mr I NUNDLOLL				8			6,900
Mr G CHARLES				1			3,600
Mr R APPADOO				8	2		6,248
Mrs M BUNDHUN				7			2,899
Mr C. SEERUTTUN				3	2		2,478
Mrs K. SEEBUNDHUN				-	2		-
Mr S JOOMRUTTUN					2		-

Other Corporate Governance Issues

Directors Remuneration: As per Pay Research Bureau Report Recommendations

Material clauses of the constitution of the Board.

Board members are appointed by the Minister and the former 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 to form a quorum and should be held at least once a year.

The Audit Committee should be held at least once quarterly.

Disclosure and Transparency of the affairs of the organisation.

SEFPF is committed to elevating our standards of disclosure and transparency and the quality and depth of its corporate governance practices to enable all our stakeholders to understand the true financial condition of the Organisation.

Audit Committee roles and responsibilities

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 financial year 2022/23.

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

Internal Control and Internal Audit

Board's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of financial statements that are free from material misstatement; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances. Such systems should ensure that transactions are authorised and recorded and that any material irregularities are detected and rectified within a reasonable time-frame.

One of the roles of internal audit is to provide independent assurance that the organisation's internal controls processes are operating effectively. Internal audit is an integral part of the organisation and functions under the policies established by management and the Board. An Internal Audit Charter which defines internal audit purpose, authority, and responsibility within the organisation, has already been adopted by the Board.

SBFPF, has successfully implemented its Anti-Corruption Committee (ACC) in the financial year 2022-23. An Anti-Corruption Policy has been approved by the Board and has uploaded on SBFPF s website. The ACC will carry out its first Corruption Risk Assessment (CRA) on procurement procedures in the next financial year.

In future, SBFPF is planning to develop and establish a formal Risk Management Framework (RMF) with the support of Management and the Board.

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.

Related Party Transactions have been disclosed in the notes to the Accounts to the Financial Statements and recorded in Board Minutes in accordance with International Public Sector Accounting Standards (IPSAS) 20 (Related Party Disclosures).

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

Ethics and Values within the organisation

The Board members, employees, and all stakeholders of SBFPF are expected to observe the highest standard of ethical behaviour when discharging their duties, engaging stakeholders and when conducting any business dealings in and outside the Organisation. The Code of Ethics, outlines the ethical principles based on the Organisation's core values and further sets out the behavioural expectations of all employees. The Board acknowledges that compliance with legislative and regulatory requirements is paramount in all transactions and business dealings and provides oversight on all protocol processes within the Organisation. In view thereof, compliance responsibility is assigned to all employees in ensuring conformance to all applicable laws, standard, codes, rules, and regulations.

STATUTORY BODIES FAMILY PROTECTION FUND

Statement of the Chairperson of the Board.

The Board of Directors of the Statutory Bodies Family Protection Fund is pleased to present the Annual Report with the Audited Financial Statements of the Fund for the year ended 30 June 2023.

Being the Chairperson of the Board, I have the responsibility to ensure its proper functioning and effective contribution from each member.

Activities of the Fund

The Statutory Bodies Family Protection Fund is a non-profit making organisation and we provide the best to assist beneficiaries needs as its main objectives.

The Fund is a self-financing body and the Family Protection Scheme (FPS) contributions of Local Authorities Employees are secured to cater for future pensions needs of Widows/Widowers and Orphans.

The Board is also responsible and accountable to diversify the investment portfolio of the Fund locally in the best interest of its stakeholders.

The Fund had launched, as side activity, its loan products to assist financially the needy borrowers of the Local Authority and we are foreseeing to enhance such facilities to a larger number of employees basically the non-associates.

Appreciation and Acknowledgment

I would like to thank the Board Members for their continuous contribution and support.

I also wish to thank the Management of Statutory Bodies Family Protection Fund for their dedication and hard work contributing to efficient and effective performance.



Dr Dhanandjay KAWOL

Chairperson

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.

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.

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 2023, there were 4,175 associates and 577 retired associates under the Family Protection Scheme compared to 4454 associates in 2021/22.

<u>Councils</u>	<u>No of Associates</u>	<u>Retired Associates</u>	<u>Total</u>
Port Louis	829	167	996
Beau Bassin/Rose Hill	457	62	519
Quatre Bornes	438	47	485
Vacoas/Phoenix	480	119	599
Curepipe	236	42	278
SILWFund	501	79	580
Moka	142	-	142
Flacq	179	11	190
Pamplemousses	184	6	190
Riviere du Rempart	179	22	201
Grand Port	225	2	227
Savanne	160	-	160
Black River	152	16	168
Town & Country PB	6	-	6
SBFPProtection Fund	7	4	11

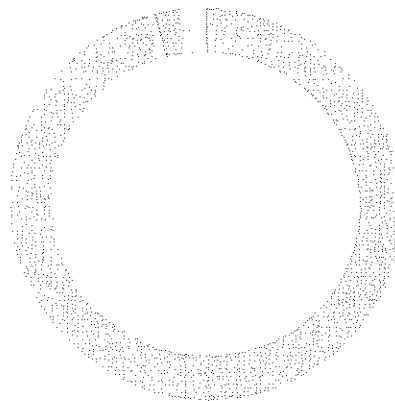
The number of associates is decreasing gradually following the amendment SBFPFund Act 2012 and the existing option for the refund of contribution (SBFPFund Act 1988).

2. Spouse's and Orphans' Pensions

The number of spouse and orphans receiving pension from the Fund during 2022/23 was as follows:

	<u>30.06.2023</u>	<u>30.06.2022</u>
Widows	1179	1194
Widowers	32	27
Orphans	20	19
	<div>1231</div>	<div>1240</div>

Beneficiaries 2023



■ Widows ■ Widowers ■ Orphans ■

Total pensions paid for the year ended 2022/2023 amounted to Rs98,850,905/- compared to Rs90,662,305/-- for the year ended 2021/2022, representing an increase of approximately 9%. This increase is mainly attributable to the following factors: -

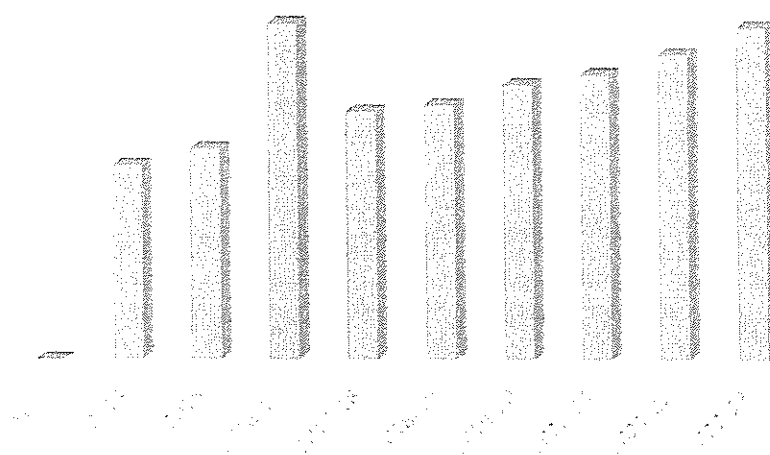
(1) the payment of an extra remuneration to all pensioners as recommended by Government.

(2) the payment of benefits to new pensioners.

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>
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
2021/22	90,662,305
2022/23	98,850,905

Pension cost Rs (Million)



3. Refund of Contribution

During the year 2022/2023, 126 associates obtained a full refund of contributions, amounting to Rs17,782.736/-. whilst in service, on grounds of age limit, dismissal and resignation and others. During 2021/22, the amount refunded was of the order of Rs20,972.298/.

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 Rs61,477,466/- for the year ended 2022/23 compared to Rs65,333,835/- for year ended 2021/22. There is a decrease representing approximately 6% is mainly attributable to 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 to sustain pension liabilities over the coming years

5. Investment

Investment in financial institutions has increased and stood at around Rs1.774 million as at 30 June 2023 compared to Rs1.788 million for the year ended 2021-2022 representing a fall of around 1%. Some deposits have been cashed to finance expenses.

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 Rs67,248,459/ to Rs52,929,110/. Given the limited avenues for placement locally, it can be said that the level of Repo rate has slightly risen recently.

It is worth pointing out that the traditional deposits with banking institutions have risen slightly and interest rates for some banking institutions are 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 2022/23, the Fund has acknowledged around 128 applicants of personal loan, amounting to around Rs 10m. The amount of interest yielded from personal loan is around Rs1.8m at the existing rate of 9 % p.a.

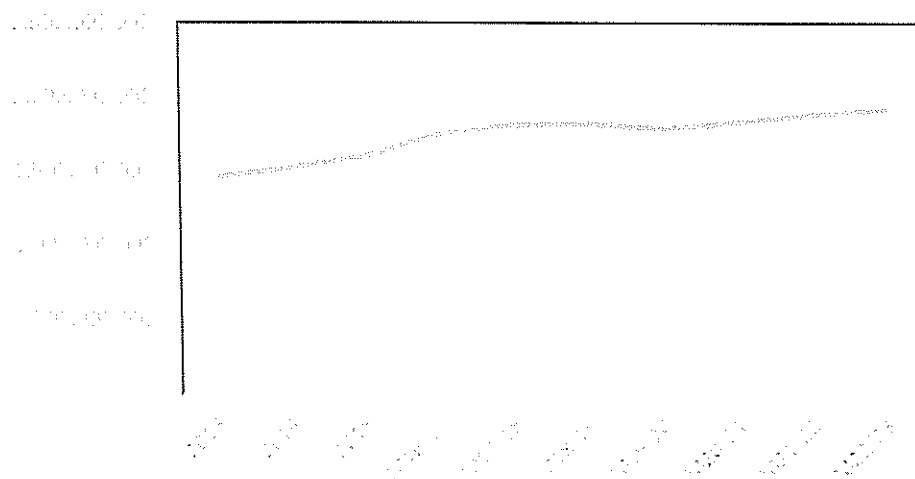
7. Growth and Changes

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 1.9 bn.

Despite a low market interest rates 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.

Growth Table Rs



8. Conclusion

The Fund has realized a Deficit of income during the year. The Fund has also catered for an additional provision to our defined benefit plan, the increasing trend of interest rates/ Repo rates, the refund of contribution to retired associates with compound interest at 4%. A rise in the market price of shares has been positively noted this year. The Fund has recorded a deficit of Rs11.5 million for the year. There is, however, an apprehension that with the existing recession affecting the capital market at national level, the Fund might see its income from investments relatively low compared to the 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 properties.

Based on certain assumptions, the Actuarial Report of the Fund as at 30.06.2023 also indicates that the Funding level of the Fund is 54% and it has been recommended to inject Rs346million annually over 5 years or to increase the contribution rate from 4% to 12.8% of salaries. The urgent attention of the Board is required to the recommendation otherwise the Fund may not be able to meet its medium-term pension obligations as highlighted in the report.

On the other hand, the Actuarial Report of SBFP Fund employees' Pension Fund as at 30.06.2023 indicates that the Funding level is 45% on the ongoing basis, based on demographic and financial assumptions. It is recommended to inject Rs 27.6million over 5 years and to increase contribution rate from 18% to 25% to meet the Fund's medium-term pension obligations.

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

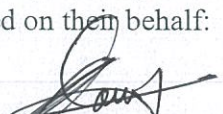
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STATUTORY BODIES FAMILY PROTECTION FUND

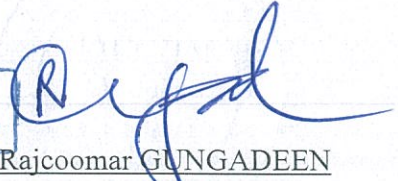
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	<u>Note</u>	<u>30 June 2023</u>	<u>30 June 2022</u>
		Rs	Rs
ASSETS			
Current assets			
Cash and cash equivalents	9	64,414,163	20,387,510
Investment	10	-	419,500,000
Trade receivables	11	12,971,891	62,268,665
Loan receivables	12	8,863,023	11,073,850
Other receivables	13	260,750	3,558,750
		86,509,827	516,788,775
Non-current assets			
Investment	10	1,773,609,590	1,369,154,643
Trade receivables	11	33,836,779	16,255,357
Loan receivables	12	9,026,119	11,592,727
Property, plant and equipment	6	798,105	731,039
Intangible assets	7	1,311,870	90,969
		1,818,582,463	1,397,824,735
TOTAL ASSETS		1,905,092,290	1,914,613,510
LIABILITIES			
Current liabilities			
Creditors and payables	15	2,353,784	2,421,868
Short term employee benefits	16	1,885,159	200,546
		4,238,943	2,622,414
Non-current liabilities			
Retirement benefits obligations	14	14,393,523	21,867,041
Long term employee benefits	16	3,931,421	5,400,722
		18,324,944	27,267,763
TOTAL LIABILITIES		22,563,887	29,890,177
NET ASSETS		1,882,528,403	1,884,723,333
NET ASSETS / EQUITY			
Capital & Reserves			
Equity		1,523,769,817	1,533,776,330
Revaluation reserve		358,758,586	350,947,003
TOTAL NET ASSETS / EQUITY		1,882,528,403	1,884,723,333

The amended Financial Statements were approved by the Statutory Bodies Family Protection Fund on 09th August 2024 signed on their behalf:


Dr Dhanandjay KAWOL
CHAIRPERSON

STATUTORY BODIES
FAMILY PROTECTION FUND


Mr Rajcoomar GUNGADEEN
BOARD MEMBER

The notes on pages 6 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 2023

	<u>Note</u>	<u>30 June 2023</u>	<u>30 June 2022</u>
		Rs	Rs
Revenue: Exchange Transactions			
Contribution	18	61,477,466	65,333,837
Other income	20	2,506,336	2,565,061
Investment income	19	52,929,110	67,248,459
Total Revenue		116,912,912	135,147,356
<u>Less</u>			
Pensions		98,850,905	90,662,305
Staff costs	21	9,378,542	8,770,874
Administrative expenses	22	2,432,201	2,174,529
Refund of contribution		17,782,736	20,972,299
Total Expenditure		128,444,384	122,580,007
(Deficit) / Surplus of income		(11,531,472)	12,567,349

The notes on pages 6 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 2023

	Retained Earnings Rs	Revaluation Reserve Rs	Total Net Assets/Equity Rs
Balance as at 01.07.2021	1,521,892,186	311,266,703	1,833,158,889
Surplus of income for the year ended 30.06.2022	12,567,349	-	12,567,349
Actuarial Loss	(683,205)	-	(683,205)
Revaluation surplus/(loss) for the year 2022		39,680,300	39,680,300
Balance as at 01.07.2022	1,533,776,330	350,947,003	1,884,723,333
Deficit of income for the year ended 30.06.2023	(11,531,472)	-	(11,531,472)
Actuarial gain(losses) on defined benefit plans 2023	1,524,959	-	1,524,959
Revaluation surplus on investment for the year 2023	-	6,454,947	6,454,947
Profit on revaluation of Intangibles Assets 2023		1,356,636	1,356,636
Balance as at 30.06.2023	1,523,769,817	358,758,586	1,882,528,403

The notes on pages 6 to 28 form an integral part of these financial statements.

STATUTORY BODIES FAMILY PROTECTION FUND

<u>CASH FLOW STATEMENT</u> <u>FOR THE YEAR ENDED 30 JUNE 2023</u>	<u>30 June 2023</u>	<u>30 June 2022</u>
	Rs	Rs
Cash generated from operations (Note 29.1)	(66,711,757)	(59,614,260)
Investing activities		
New investments	(523,000,000)	(855,000,000)
Investments encashed	544,500,000	793,950,000
Dividend received	15,998,757	19,275,490
Interest received	67,170,188	103,042,222
Purchase of fixed assets	(131,990)	(32,400)
Loan refunded	16,256,455	17,975,293
New loan granted	(10,055,000)	(10,940,000)
Net cash from investing activities	110,738,410	68,270,605
(Decrease)/Increase in cash and cash equivalents	44,026,653	8,656,345
Movement in cash and cash equivalents	Rs	Rs
As at 01 July 2022	20,387,510	11,731,165
(Decrease)/Increase	44,026,653	8,656,345
As at 30 June 2023(Note 29.3)	64,414,163	20,387,510

Notes to the Cash Flow Statement for the year ended 30 June 2023

(a) Property Plant and Equipment

The Fund acquired property plant and equipment in terms of Executive Chairs, Computers and Air Conditioner with an aggregate cost of Rs 131,990 during the financial year.

Cash payments were made to purchase the property, plant and equipment.

The notes on pages 6 to 28 form an integral part of these financial statements.

STATUTORY BODIES FAMILY PROTECTION FUND

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2023

	Original Budgeted Amounts Year ended 30.06.2023	Actual Amounts on Comparable Basis	Variance Original /Revised Budget	Variance: Original Budget/ Actual
	Rs	Rs	Rs	Rs
INCOME				
Revenue	59,000,000	61,477,466	n/a	2,477,466
Investment	112,325,000	52,929,110	n/a	(59,395,890)
Other Income	2,025,000	2,506,336	n/a	481,336
Surplus on Management Expenses	(2,289,250)	446,171	n/a	2,735,421
	171,060,750	117,359,083	-	(53,701,667)
EXPENDITURE				
Pensions	96,000,000	98,941,510	n/a	(2,941,510)
Staff costs	11,620,000	9,139,209	n/a	2,480,791
Administrative expenses				
Board's Fees	475,000	546,940	n/a	(71,940)
Printing & Stationery	120,000	91,894	n/a	28,106
Telephone	65,000	62,298	n/a	2,702
Electricity	125,000	116,824	n/a	8,176
Rent	110,000	99,073	n/a	10,927
Repairs & Maintenance IT	600,000	538,114	n/a	61,886
Insurance	3,000	-	n/a	3,000
General Expenses	170,000	138,475	n/a	31,525
Legal Fees	86,250	86,250	n/a	-
Pension of Retired Secretary	-	-		-
Audit Fees	140,000	50,000	n/a	90,000
Actuarial Fees	-	20,010	n/a	(20,010)
Entertainment Expenses	-	-		-
Passage Benefits	225,000	239,333	n/a	(14,333)
Supervisor of Works' Fees	-	-		-
Subscription fees and training	150,000	29,878	n/a	120,122
Bank Charges	-	-		-
Depreciation	200,000	200,660	n/a	(660)
Refund of Contributions	16,000,000	17,782,736	n/a	(1,782,736)
	126,089,250	128,083,204	-	(1,993,954)
SURPLUS	44,971,500	(10,724,121)	-	(51,707,713)
EXPENDITURE CAPITALISED				
Furniture & Equipment	500,000	131,990	n/a	368,010
New System Development	5,000,000	-	n/a	5,000,000
	5,500,000	131,990	-	5,368,010

STATUTORY BODIES FAMILY PROTECTION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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)

(b) Reporting Period

The financial statements for the current period has been prepared for the 12 months ended 30 June 2023 with comparative information for the 12 months ended 30 June 2022

(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.

(d) Budget Preparation

The budget is prepared on an accrual basis for a period of twelve months. The figures are compared with the actual amount that the fund has incurred during the financial year as per the financial statements.

(e) 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 2023

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 AND NOT EFFECTIVE

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

IPSAS 43- Leases

This standard was issued in January 2022 and will be effective for annual periods starting on or after 1 January 2025, with earlier application permitted. IPSAS 43 sets out new standards for the recognition, measurement, presentation and disclosure requirements for leases to replace IPSAS 13, where a Lessee will require to recognise assets and liabilities related to the rights and obligations created by leases rather than to classify the leases as finance or operating leases. The Fund has not applied this standard prospectively.

IPSAS 44- Non Current Assets Held for Sale and Discontinued Operations

This standard was issued in May 2022 and will be effective for annual periods starting on or after 1 January 2025, with earlier application permitted. The purpose of IPSAS44 is to provide the accounting for assets held for sale and the presentation and disclosure requirements of discontinued operations in view to increase transparency, enhance consistency and comparability among public sector entities related to the sale of public sector assets, amongst others. The Fund has not applied this standard prospectively.

IPSAS 45- Property Plant and Equipment

This standard was issued in May 2023 and will be effective for annual periods starting on or after 1 January 2025, with earlier application permitted. The aim of IPSAS 45 is to update principles drawn from IPSAS 17, Property, Plant, and Equipment by adding new guidance for heritage assets, infrastructure assets, and measurement of property, plant, and equipment. The Fund has not applied this standard prospectively.

STATUTORY BODIES FAMILY PROTECTION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

STANDARDS ISSUED AND NOT EFFECTIVE (Cont'd)

IPSAS 46- Measurement

This standard was issued in May 2023 and will be effective for annual periods starting on or after 1 January 2025, with earlier application permitted. IPSAS 46 is designed to define measurement bases that assist in reflecting fairly the cost of services, operational capacity and financial capacity of assets and liabilities. The Standard identifies approaches under those measurement bases to be applied through individual IPSAS to achieve the objectives of financial reporting. The Fund has not applied this standard prospectively.

IPSAS 47- Revenue

This standard was issued in May 2023 and will be effective for annual periods starting on or after 1 January 2026, with earlier application permitted. This IPSAS replaces IPSAS 9, Revenue from Exchange Transactions, IPSAS 11, Construction Contracts, and IPSAS 23, Revenue from Non-Exchange Transactions (Taxes and Transfers). The purpose of IPSAS 47 is to develop a new Standard that sets out the accounting requirements for revenue transactions in the public sector. The Fund has not applied this standard prospectively.

IPSAS 48- Transfer Express

This standard was issued in May 2023 and will be effective for annual periods starting on or after 1 January 2026, with earlier application permitted. It establishes the principles that a transfer provider shall report useful information to users of accounts about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transaction. The Fund has not applied this standard prospectively.

STATUTORY BODIES FAMILY PROTECTION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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.

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.

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.

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.

- (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%

STATUTORY BODIES FAMILY PROTECTION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

SIGNIFICANT ACCOUNTING POLICIES(Cont'd)

- (i) 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) No depreciation is charged in the year of acquisition and full depreciation is charged in the year of disposal.
- (iii) Property, Plant and equipment items costing less than Rs 10,000/- 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.

(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 20 years. The revised annual depreciation rate for Software is 5%.

(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:

STATUTORY BODIES FAMILY PROTECTION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

SIGNIFICANT ACCOUNTING POLICIES(Cont'd)

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.

(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.

STATUTORY BODIES FAMILY PROTECTION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

(f) Retirement Benefit Obligations (Cont'd)

- 1) 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 2021/2022 and 2022/2023.

- 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.

(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

(j) IPSAS 13- Leases

Operating Lease

The Fund rents an office space from the Municipality of Port Louis for a monthly rental of Rs 8,256. The totals of future minimum lease payments under this non-cancellable operating lease for each of the following periods are:

(i) Not later than one year: Rs 99,072

(ii) Later than one year and not later than five years: Rs 396,288, and

(iii) Later than five years: Rs 495,360

Lease payments recognized as an expense in the period: Rs 99,072

Terms of renewal

The operating lease is renewed after a period of one year. There are no purchase options and escalation clauses.

Restrictions imposed by lease arrangements

There are no restrictions concerning return of net surplus, return of capital contributions, dividends, additional debt and further leasing.

STATUTORY BODIES FAMILY PROTECTION FUND
NOTES TO THE FINANCIAL STATEMENTS
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6. Property, plant and equipment

The items which were fully written off but still in use have been revalued and amortized over a further expected useful life.

	Furniture and fittings	Air conditioners	Computer Equipment	Office Equipment	Total
<u>COST</u>	Rs	Rs	Rs		Rs
Balance 01.07.2022	710,906	73,980	579,146	40,417	1,404,449
Additions	31,200	28,860	71,930		131,990
Balance 30.06.2023	742,106	102,840	651,076	40,417	1,536,439
<u>DEPRECIATION</u>					
Balance 01.07.2022	350,499	37,212	268,159	17,539	673,409
Charge for the year	29,447	3,699	28,142	3,637	64,925
Balance 30.06.2023	379,946	40,911	296,301	21,176	738,334
NET BOOK VALUE					
At 30.06.2022	360,407	36,768	310,987	22,878	731,040
At 30.06.2023	362,160	61,929	354,775	19,241	798,105

7. INTANGIBLE ASSETS

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

INTANGIBLE ASSETS	Software
<u>COST</u>	Rs
Balance 01.07.2022	2,714,705
Additions	-
Disposals	-
Balance 30.06.2023	2,714,705
<u>AMORTISATION</u>	
Balance 01.07.2022	2,623,736
Amortisation adjustment	(1,356,636)
Charge for the year	135,735
Balance 30.06.2023	1,402,835
NET BOOK VALUE	
At 30.06.2022	90,969
At 30.06.2023	1,311,870

STATUTORY BODIES FAMILY PROTECTION FUND
NOTES TO THE FINANCIAL STATEMENTS
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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
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	<u>30 June 2023</u>	<u>30 June 2022</u>
	Rs	Rs
9. Cash and cash equivalents		
Petty cash	4,326	3,059
Cash at bank-current account	64,409,837	20,384,451
	<u>64,414,163</u>	<u>20,387,510</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 2023</u>		<u>30 June 2022</u>	
<u>Investment-Fixed Deposits</u>	Rs	Rs	Rs	Rs
	Current asset	Non-Current	Total	Total
Sicom Financial Services Limited	-	474,000,000	474,000,000	474,000,000
Mauritius Civil Service Mutual Aid Ass	-	-	-	171,000,000
MAUBANK	-	-	-	125,000,000
ABC	-	318,000,000	318,000,000	188,000,000
Bank One	-	138,000,000	138,000,000	248,500,000
MHC	-	288,000,000	288,000,000	228,000,000
SBI	-	195,000,000	195,000,000	-
	<u>-</u>	<u>1,413,000,000</u>	<u>1,413,000,000</u>	<u>1,434,500,000</u>
<u>Shares</u>	<u>No. of shares</u>	<u>Market price</u>	<u>30 June 2023</u>	<u>30 June 2022</u>
		Rs	Rs	Rs
MCB Ltd	1,149,731	313.25	360,153,236	353,542,283
Fincorp Ltd	29,160	15.65	456,354	612,360
			<u>360,609,590</u>	<u>354,154,643</u>
			<u>1,773,609,590</u>	<u>1,788,654,643</u>

11. Trade receivables

	<u>30 June 2023</u>	<u>30 June 2022</u>
	Rs	Rs
Receivables represent contributions and interest due at year end.		
Contributions receivable	3,199,177	4,355,379
Dividend Receivable	9,772,714	6,783,413
Interest receivable (short term)	-	51,129,872
	<u>12,971,891</u>	<u>62,268,665</u>
Interest receivable (long term)	33,836,779	16,255,357
	<u>46,808,670</u>	<u>78,524,022</u>

STATUTORY BODIES FAMILY PROTECTION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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 2023, the amount of the non-performing loans under legal suit was Rs. 433,048

	<u>30 June 2023</u>	<u>30 June 2022</u>
	Rs	Rs
Current assets		
Personal loan	8,544,715	10,736,162
Housing loan	318,308	325,308
Car loan	-	12,381
Total current assets	8,863,023	11,073,851
Non current assets		
Personal loan	7,992,975	10,141,152
Housing loan	1,033,144	1,451,620
Car loan	-	-
Total non-current assets	9,026,119	11,592,771
<u>Personal loan scheme</u>	16,537,690	20,877,314
<u>Housing loan scheme</u>		
Municipality of Port Louis	652,104	821,295
Municipality of Beau Bassin/Rose Hill	198,260	255,430
Municipality of Vacoas/Phoenix	-	27,035
Municipality of Curepipe	11,137	199,460
Flacq District Council	190,675	259,806
Grand Port District Council	125,520	150,516
Savanne District Council	171,742	55,370
Black River District Council	2,014	8,016
	1,351,452	1,776,928
<u>Car Loan</u>		
Statutory Bodies Family Protection Fund	-	12,381
Total loan receivables	17,889,142	22,666,622
13. Other receivables		
Maintenance Prepaid	258,750	258,750
Sicom pension Fund prepaid	-	3,300,000
Security Deposit	2,000	-
	260,750	3,558,750

STATUTORY BODIES FAMILY PROTECTION FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

14 Figures for IPSAS 39 adoption

	30 Jun 2023	30 Jun 2022
	Rs	Rs
Amounts recognised in the balance sheet:		
Present value of obligations	34,987,784	35,273,734
Fair value of plan assets	(20,594,261)	(13,406,693)
Effect on asset ceiling		
Deficit (surplus) on obligations	14,393,523	21,867,041
Net cost for the period:		
Current service cost	805,241	836,665
Net interest cost	636,063	712,286
Fund expenses & life insurance	49,473	45,544
Contributions by employees	(277,055)	(330,188)
Past service cost	-	-
Curtailment / settlement (gain) loss	-	-
Net cost for the year recognised in profit & loss	1,213,722	1,264,307
Remeasurement recognised in OCI	(1,524,959)	683,205
Net cost for period	(311,237)	1,947,512
Net interest cost for the year :		
Interest on obligation	1,479,679	1,389,342
Expected return on plan assets	(843,616)	(677,056)
Net interest cost	636,063	712,286
<i>Remeasurement recognised in OCI for period :</i>		
Actuarial gains (losses) on the obligation	1,464,120	21,367
Actuarial gains (losses) on plan assets	60,839	(704,572)
Any change in effect of the asset ceiling, excluding amounts included in net interest cost	-	-
Remeasurement recognised in OCI - Gain/(Losses)	1,524,959	(683,205)
Changes in the Present Value of the Obligation		
Present value of obligation at start of period	35,273,734	34,171,959
Restatement	-	-
Interest cost	1,479,679	1,389,342
Current service cost	805,241	836,665
Past service cost	-	-
Benefits paid	(1,106,750)	(1,102,865)
Fund expenses & life insurance	-	-
Curtailment / settlement (gain) loss on obligation	-	-
Expected obligation at end of period	36,451,904	35,295,101
Present value of obligation at end of period	34,987,784	35,273,734
Remeasurement recognised in OCI at end of period - Gain/(Losses)	1,464,120	21,367

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
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Figures for IPSAS 39 adoption

	30 Jun 2023	30 Jun 2022
Changes in the Fair Value of the Plan Assets	Rs	Rs
Fair value of plan assets at start of period	13,406,693	13,592,056
Restatement		
Expected return on plan assets	843,616	677,056
Contributions to plan assets	7,439,336	990,563
Benefits paid out of plan assets	(1,106,750)	(1,102,865)
Fund expenses & life insurance	(49,473)	(45,544)
Expected fair value at end of period	20,533,422	14,111,266
Fair value of plan assets at end of period	20,594,261	13,406,693
Remeasurement recognised in OCI at end of period - (Gain)/Losses	(60,839)	704,573
Major Asset Categories as Percentage of Plan Assets		
Government securities and cash	50.5%	50.4%
Loans	2.9%	2.9%
Local equities	16.9%	16.4%
Overseas bonds and equities	29.2%	29.4%
Property	0.5%	0.5%
Structured products	0.0%	0.3%
Total	100.00%	99.9%
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	21,867,041	20,579,903
- effect of restatement	-	-
- as restated	21,867,041	20,579,903
Net expense recognised in profit or loss	1,213,722	1,264,308
Net actuarial (gains) losses recognised in OCI	(1,524,959)	683,205
Contributions & direct benefits paid	(7,162,281)	(660,375)
Net liability at end of period	14,393,523	21,867,041
Experience adjustments on:		
Plan liabilities	(1,094,613)	(424,323)
Plan assets	(60,839)	704,572

STATUTORY BODIES FAMILY PROTECTION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	30 June 2023	30 June 2022
	Rs	Rs
Figures for IPSAS 39 adoption		
Sensitivity		
Effect on present value of obligations		
1% Increase in discount rate	31,753,675	31,678,379
1% Decrease in discount rate	38,857,689	39,615,040
1% Increase in salary increase assumption	36,387,271	36,950,246
1% Decrease in salary increase assumption	33,728,530	33,766,199
Effect of changing longevity - rate up	34,079,390	34,316,619
Effect of changing longevity - rate down	35,894,286	36,230,841

Data summary as at 30 June 2023

Active employees - Members of DB pension scheme

Monthly Gender	Number	Average age	Average service salary (Rs)	
M	3	51.9	25.3	110,525
F	6	52.8	28.0	310,750
Grand Total	9	52.5	27.1	421,275

Gender	Number	Average age	Monthly pension (Rs)
M	2	70.9	68,850
F	1	63.8	17,900
Grand Total	3	68.6	86,750

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 2023.
- ☐ An actuarial gain on obligations of Rs 1.46m 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 30 June 2023. 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-23	Jun-22
5 year	5.14%	3.26%
10 year	5.44%	4.56%
15 year	5.59%	4.96%
20 year	5.70%	5.13%

Discount Rate (for illustrative purposes only): 5.69%

Weighted Average Term of Liabilities: 21 years

STATUTORY BODIES FAMILY PROTECTION FUND
NOTES TO THE FINANCIAL STATEMENTS
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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
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	<u>30 June 2023</u>	<u>30 June 2022</u>
	Rs	Rs
15. Creditors and payables		
Sundry creditors – pension payable	1,909,889	1,465,763
Expenses accrued -personal loan expenses	6,000	49,050
Printing & Stationery	4,125	2,086
Audit fees	140,000	230,000
Board Fees	25,850	
Salary Due	29,600	
Legal fees	-	-
Loan Refundable	221,643	652,723
Rent	-	8,256
Electricity, telephone& others	16,677	10,540
General Expenses	-	3,450
	<u>2,353,784</u>	<u>2,421,868</u>

	<u>30 June 2023</u>	<u>30 June 2022</u>
	Rs	Rs
16. Employee benefits		
Short term employee benefits		
Passage benefits	318,401	59,163
Bank sick leave	802,758	141,383
Bank Vacation leave	764,000	
	<u>1,885,159</u>	<u>200,546</u>
Long term employee benefits		
Passage Benefits	316,817	489,873
Bank vacation leave	1,804,499	2,499,593
Bank sick leave	1,810,105	2,411,256
	<u>3,931,421</u>	<u>5,400,722</u>

17. Revenue

Revenue represents contributions received from the councils and Investment income.

Further to the amendments of the SBFP Fund 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 2023

		<u>30 June 2023</u>	<u>30 June 2022</u>
18. Revenue		Rs	Rs
Contributions			
Municipality of Port Louis	Employee	5,437,521	5,831,412
	Employer	6,468,534	6,847,830
Municipality of BBassin/RHill	Employee	3,117,555	3,282,352
	Employer	3,498,765	3,691,680
Municipality of Quatre Bornes	Employee	2,954,473	3,196,521
	Employer	3,294,325	3,524,697
Municipality of Vacoas/Phoenix	Employee	3,368,156	4,012,484
	Employer	3,941,897	3,892,371
Municipality of Curepipe	Employee	1,780,155	1,904,280
	Employer	2,133,379	2,303,467
Sugar Industry Labour Welfare Fund	Employee	3,261,459	3,454,193
	Employer	3,836,998	3,974,152
Moka District Council	Employee	1,060,377	1,083,348
	Employer	998,501	1,145,224
Flacq District Council	Employee	1,390,172	1,464,231
	Employer	1,420,551	1,499,617
Pam District Council	Employee	1,323,809	1,283,477
	Employer	1,361,504	1,526,926
Riv du Rempart D Council	Employee	1,322,016	1,344,886
	Employer	1,422,723	1,650,755
Grand Port District Council	Employee	1,654,739	1,687,512
	Employer	1,657,117	1,693,222
Savanne District Council	Employee	1,137,516	1,177,880
	Employer	1,140,564	1,184,288
Black River District Council	Employee	1,073,767	1,153,779
	Employer	1,117,675	1,193,188
Town and Country Planning Board	Employee	66,967	76,150
	Employer	66,967	75,870
SBFP Fund	Employee	72,618	74,118
	Employer	96,666	103,926
Total contibution Receivable		61,477,466	65,333,837

STATUTORY BODIES FAMILY PROTECTION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

19. Revenue

Revenue from investment

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

Investment interests

	<u>30 June 2023</u>	<u>30 June 2022</u>
	Rs	Rs
Sicom Financial Services Limited	4,715,260	12,963,633
Mauritius Civil Service Mutual Aid Associations	1,618,709	6,563,219
Maubank	-	5,535,201
ABC Banking Corporation	10,602,311	3,488,096
Bank One	6,229,648	5,161,615
MHC	6,800,400	7,477,792
SBI	3,974,726	-

Dividend from shares

MCB Ltd	18,970,560	26,041,407
Fincorp Ltd	17,496	17,496
Total Investment Income	52,929,110	67,248,459

20. Other income

	<u>30 June 2023</u>	<u>30 June 2022</u>
	Rs	Rs
Interest on car loan	1,754	10,524
Interest on housing loan	128,738	174,065
Interest on personal loan	1,691,891	1,974,973
Miscellaneous revenue	683,953	405,499
	2,506,336	2,565,061

STATUTORY BODIES FAMILY PROTECTION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	<u>30 June 2023</u>	<u>30 June 2022</u>
21. Surplus from operations		
Surplus of income for the year is arrived at after charging the following items:-	Rs	Rs
Staff costs	9,378,542	8,770,874
Administrative expenses	2,432,201	2,174,529
	11,810,743	10,945,404
No. of employees at end of year	10	9
Staff cost includes:	<u>30 June 2023</u>	<u>30 June 2022</u>
	Rs	Rs
Salaries	6,439,897	6,010,064
Travelling	852,395	671,100
National savings fund	62,176	65,239
Passage benefits	239,333	235,556
Fund's staff contribution	78,756	7,889
Retirement benefit obligation	1,213,722	1,264,308
CSG	388,606	411,476
Contribution FPS	6,991	1,316
Staff contribution FPF	96,666	103,926
	9,378,542	8,770,874
22. Administrative expenses	<u>30 June 2023</u>	<u>30 June 2022</u>
	Rs	Rs
Printing and stationery	91,894	148,851
Electricity	116,824	136,349
Telephone	62,298	70,063
Rent	99,073	99,073
General expenses	138,475	187,469
Training	29,878	19,222
Board fees	546,940	464,913
Maintenance IT	538,114	488,750
Penalty on early cash back deposit	319,317	-
Legal fees	86,250	100,625
Pension of retired Secretary	90,605	84,683
Professional Fees	70,010	-
Security Deposit Written off	-	2,315
Depreciation & Amortization	200,660	334,793
Bank charges	41,863	37,423
	2,432,201	2,174,529

STATUTORY BODIES FAMILY PROTECTION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	<u>30 June 2023</u>	<u>30 June 2022</u>
	Rs	Rs
23. Statutory contributions to management expenses		
Opening accruals	(4,355,379)	(2,210,357)
Contributions received	62,440,773	62,488,134
Closing accruals	3,199,177	4,355,379
	<u>61,284,571</u>	<u>64,633,156</u>
Statutory contributions to management expenses is 20% of contributions receivable.	12,256,914	12,926,631

24. Related party transactions

(i) Remuneration to management

	<u>30 June 2023</u>	<u>30 June 2022</u>
	Rs	Rs
Chairman/board fees	546,940	464,913
Salary Manager	1,361,575	1,355,575
	<u>1,908,515</u>	<u>1,820,488</u>

Monthly Rate

Chairman fees	31312 & 22000	311,917	375,750
Board/sub committee fees		235,023	89,163
Board member fee	1,500		
Secretary/board	1,650		
Sub committee member	1,350		
Chairman sub committee	1,850		
Secretary/ sub committee	950		
Travelling	230		
		<u>546,940</u>	<u>464,913</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 2023

25. Personal loan

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

	<u>30 June 2023</u>	<u>30 June 2022</u>
	Rs	Rs
Opening balance	20,877,270	27,055,535
Loan granted	10,055,000	10,690,000
Loan refunded	(14,492,501)	(17,090,438)
Transfers/Residual balances	97,921	222,172
Closing balance	<u>16,537,690</u>	<u>20,877,270</u>

26. Car loan

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

	<u>30 June 2023</u>	<u>30 June 2022</u>
	Rs	Rs
Opening balance	12,381	86,667
Loan granted	-	-
Loan refunded	(12,381)	(74,286)
Transfers	-	-
Closing balance	<u>-</u>	<u>12,381</u>

26(a) Housing Loan

	<u>30 June 2023</u>	<u>30 June 2022</u>
	Rs	Rs
Opening balance	1,776,926	2,555,926
Loan granted	-	250,000
Loan refunded	(570,263)	(1,240,977)
Residual balances / transfers	144,789	211,977
Closing balance	<u>1,351,452</u>	<u>1,776,926</u>
Loan interest received	<u>1,822,383</u>	<u>2,159,562</u>

27. Revaluation reserves

27.1. Shares

	<u>No. of shares</u>	<u>Market price</u>	<u>30 June 2023</u>	<u>30 June 2022</u>	<u>Gain/(Loss)</u>
		Rs	Rs	Rs	Rs
MCB shares	1,149,731	313.25	360,153,236	353,542,283	6,610,953
Fincorp Ltd	29,160	15.65	456,354	612,360	(156,006)
			<u>360,609,590</u>	<u>354,154,643</u>	<u>6,454,947</u>

28 Surplus on Management Expenses

	<u>30 June 2023</u>	<u>30 June 2022</u>
	Rs	Rs
Statutory contributions	12,256,914	12,926,631
<u>Less</u>		
Staff costs	9,378,542	8,770,874
Administrative expenses	2,432,201	2,174,529
	<u>11,810,743</u>	<u>10,945,404</u>
Surplus	<u>446,171</u>	<u>1,981,228</u>

STATUTORY BODIES FAMILY PROTECTION FUND
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29. CASH FLOW STATEMENT

29.1 Cash flows from operating activities

	<u>30 June 2023</u>	<u>30 June 2022</u>
	Rs	Rs
Cash flows from operating activities		
(Deficit) / Surplus for the year	(11,531,472)	12,567,349
Surplus in management expenses account		-
	(11,531,472)	12,567,349
Non-Cash Movements and Adjustments:		
Depreciation	200,660	334,793
Refund of contribution	251,932	-
Revaluation gain	(1,356,636)	-
Shortfall on early cash back deposit	(319,317)	-
Actuarial Gain/(losses) on benefit plan	1,524,959	(683,205)
(Decrease)/increase in retirement benefit obligations	(7,473,518)	1,287,138
Dividend receivable	(15,998,757)	(19,275,490)
Interest receivable on investments	(67,170,188)	(103,042,222)
	(101,872,337)	(108,811,637)
(Increase)/Decrease in trade receivables	31,715,352	52,872,975
(Increase)/ Decrease in other receivables	3,298,000	(3,326,435)
(Decrease)/Increase in creditors and payables	(68,084)	(408,435)
(Decrease)/Increase in employee benefits	215,312	59,271
	35,160,580	49,197,377
Cash generated from operations	(66,711,757)	(59,614,260)

29.2 Non cash transactions

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

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 2023</u>	<u>30 June 2022</u>
	Rs	Rs
Cash In hand and at bank	64,414,163	20,387,510

STATUTORY BODIES FAMILY PROTECTION FUND
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30 BUDGET NOTES

30.1 Revenue

Revenue comprises contributions receivable from Associates. Revenue has increased due to compensation amount paid higher than expected. on PRB, salary increments and compensations.

30.2 Investment Income

Following the increase in Repo rate, all Fixed Deposits held by the Fund at fixed rate , were recalled before maturity and re-quoted for investment.
The amount budgeted of Rs 112.3 M represents cumulative interest on investments from the date of placement till 30 June 2023; The actual amount was paid at the date of encashments

30.3 Other Income

The amount of loan granted and interest received have remained more or less same.

30.4 Pensions

Pension represents amounts payable to beneficiaries of deceased Associates.
The variance of Rs2.9m is explained by a higher rate of compensation paid to beneficiaries . than expected

30.5 Staff Costs

The variance of Rs2.5 M is explained by the following two main variances:
(i) savings in respect of allowances
(ii) one post CWPO not filled and one post of FO not filled

30.6 Repairs and Maintenance

A variance of Rs62,000 less than the expected number of repairs.

30.7 Rent

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

30.8 General Expenses

The Variance represents increase in prices

30.9 Printing and Stationery

Variance of Rs 28,000 mainly represents increase in prices related to purchases of paper, cartridges and cost photocopying.

30.10 Refund of Contributions

The amount of Refund has increased
This is related to the number associates who have retired during the year is more than expected..

30.11 Other Expenses

The other expenses are not material.