

NIC MULTI-EMPLOYER PENSION SCHEME

ANNUAL REPORT | 2022

LIFE INSURANCE • GENERAL INSURANCE  
PENSIONS • LOANS • PROPERTIES

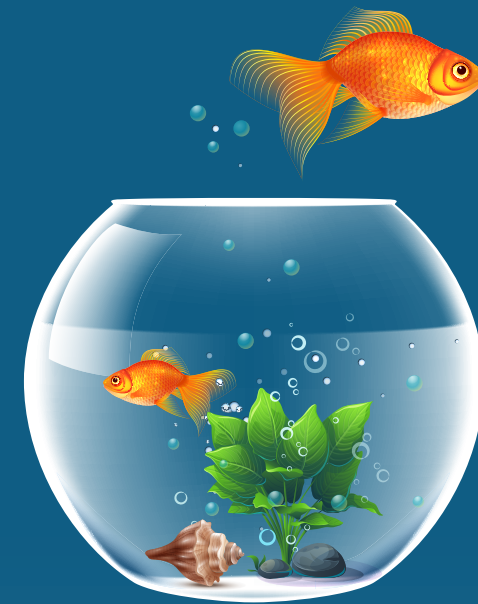
National Insurance Co. Ltd

[www.nicl.mu](http://www.nicl.mu)

**SERVING**  
YOU, SERVING THE NATION

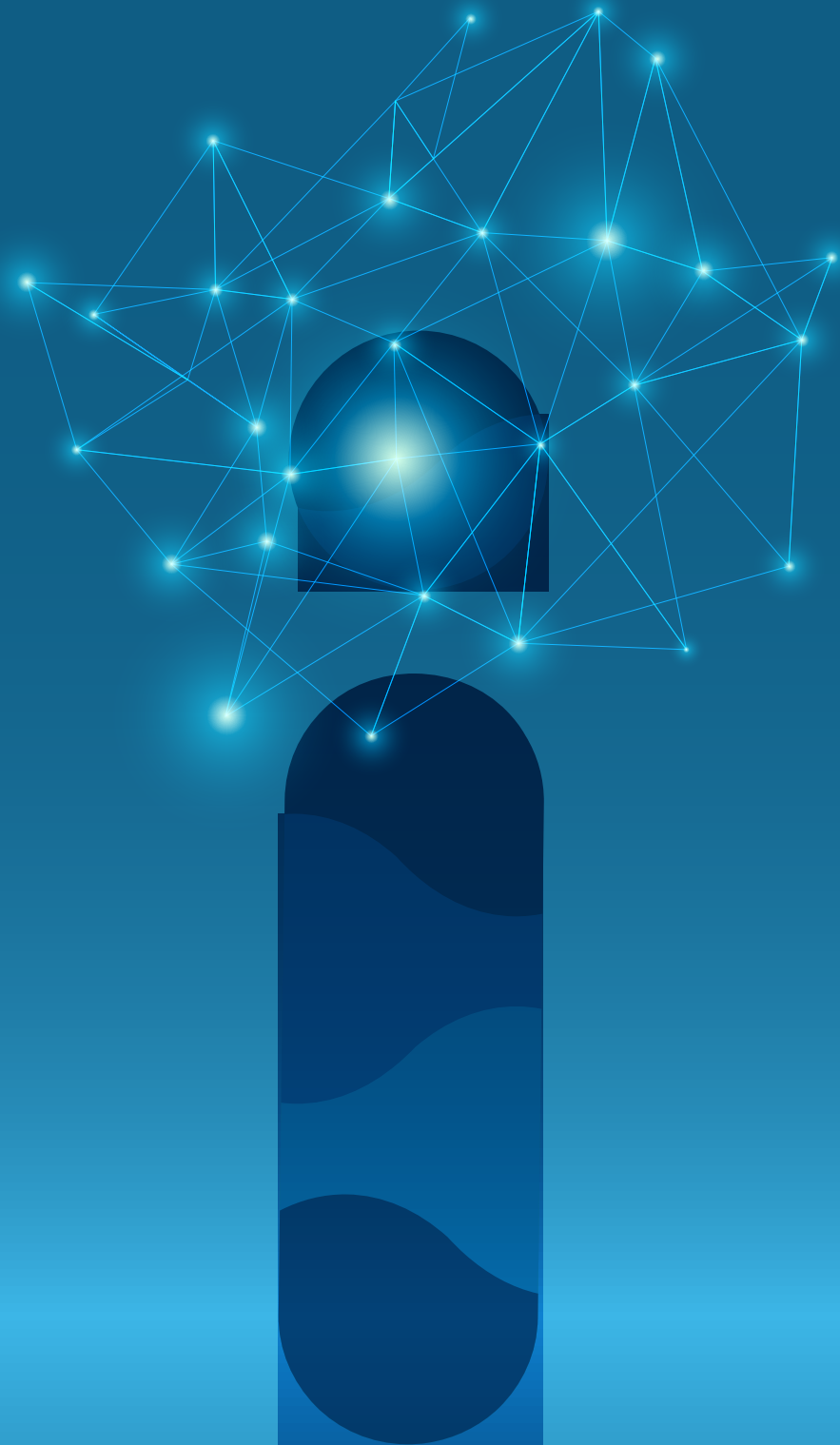
**NIC**  
MULTI-EMPLOYER  
PENSION SCHEME

Pension



NIC MULTI-EMPLOYER PENSION SCHEME

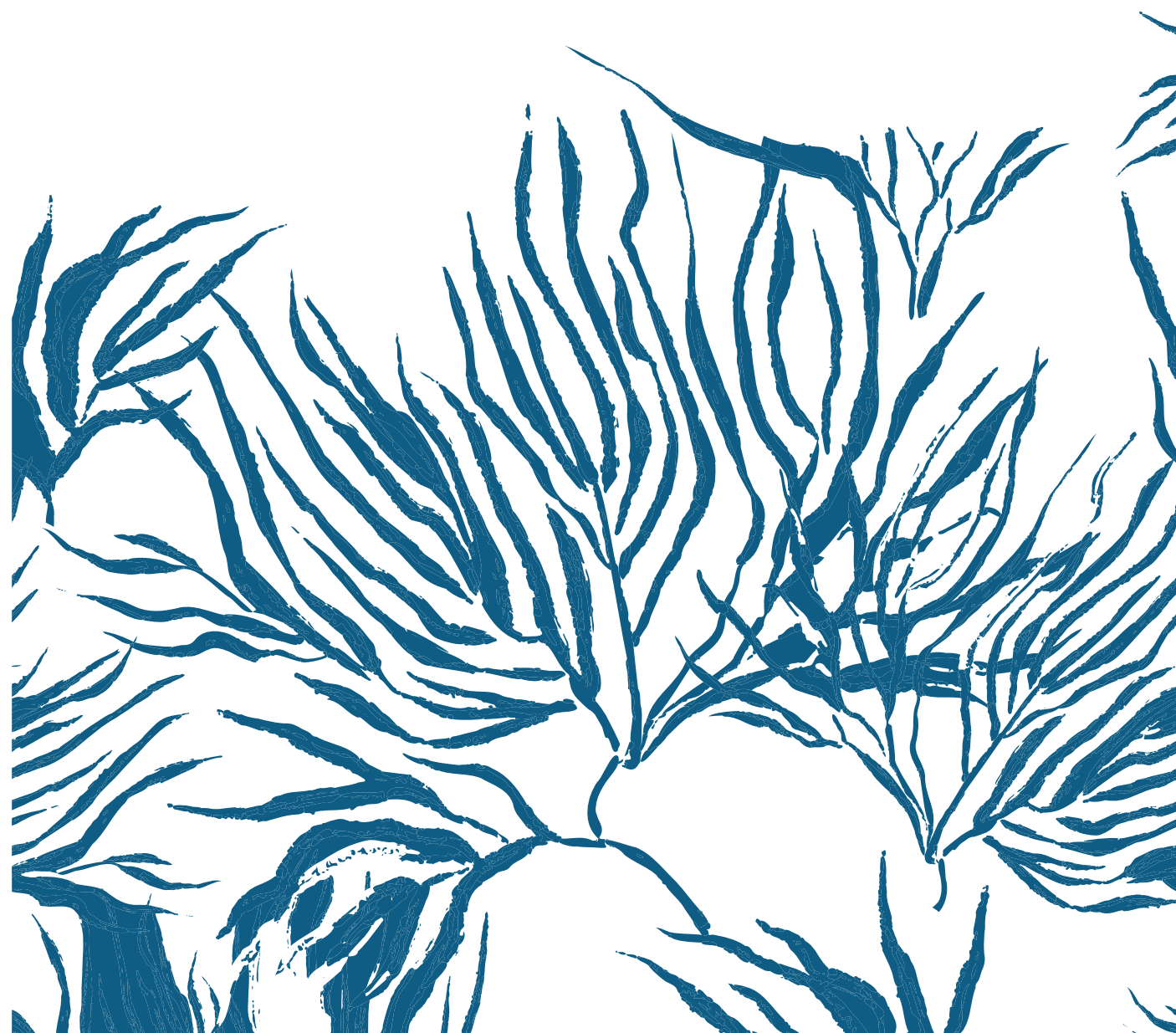
ANNUAL REPORT | 2022



THE QUESTION ISN'T  
AT WHAT AGE YOU WANT  
TO RETIRE,  
IT'S ABOUT HOW YOU  
LIVE IT.

# Contents

---



**05**

Chairperson's  
Statement

**09**

Scheme  
Information &  
Membership  
Profile

**14**

Board of  
Trustees

**19**

Investment  
Policy  
Statement

**24**

Investment  
Manager's  
Review

**30**

Report of the  
Board of  
Trustees

**38**

Independent  
Auditors'  
Report

**44**

Statement of  
Net Assets  
Available For  
Benefits

**45**

Statement of  
Changes In Net  
Assets Available  
For Benefits

**46**

General  
Account

**47**

Statement of  
Cash Flows

**48**

Notes To The  
Financial  
Statements



# ▶ NMEPS CHAIRPERSON'S STATEMENT

2022 was a year of significant momentum as the Board of Trustees and its professional partners continued to execute the NIC Multi-Employer Pension Scheme's (the "Scheme") strategy and mandate to deliver long-term value for our members.

Financial markets and the global economy have been facing strong headwinds under the reeling effects of the pandemic and the war in Ukraine, creating a wave of intense speculation and uncertainty within the investment environment. Nevertheless, many notable actions over the last four years have continued to positively impact our financial results, and we are taking decisive actions to position the Scheme for the future.

## OVERVIEW OF 2022 PERFORMANCE

The positive financial results for the year ended 30 June 2022 were sustained by an adequate diversification of the investment portfolio across the different asset classes. **The Scheme's portfolio positively delivered investment returns of nearly 4% p.a., despite adverse and stressed market conditions impacted by the war in Ukraine.** Investments in financial assets grew by 27% compared to last year.

**The overall fund of the NMEPS grew by 35% to reach MUR 163.6 million in 2022.**

During the year, the Scheme saw a surge in incoming contributions, bringing the portfolio contributions to nearly MUR 44m.

## MEMBERSHIP AND SPONSORING EMPLOYERS

Our absolute and overarching commitment to our members remains unchanged. We recognise that their retirement is an important milestone and also an intensively emotional moment. We embrace our duties as trustees to ensure support and professionalism to our members throughout the tenure of their vesting interests with us.



**MR. PEERUN  
VIKASH**

CHAIRPERSON

**We continually draw on the professional expertise, fairness and equity principles to deliver with empathy on the best possible outcome of their retirement, pension and other applicable benefits such as dread disease, total and permanent disability or death in service.** Our membership base is gradually being enlarged with the adherence of five new sponsoring employers to the Scheme for which regulatory approval has been received.

We are closing the year with 162 active and 134 deferred members and with the sustained ground efforts of the Promoter's (National Insurance Co. Ltd) Group Pension sales team, we noted a **remarkable interest from corporates and SMEs for occupational pension scheme structures** as a value-added and flexible alternative to the Portable Retirement Gratuity Fund (PRGF).



With the growing number of requests for quotes, adherence to NMEPS is promising for a broader membership base that will leverage on our investment capabilities and low cost structures. This is in line with our strategy to grow the Scheme through additional sponsoring employers and enlisted members for a stronger asset base that will set the foundations for enhanced value to both active and deferred members.

With this in mind, we are in regular liaison with our Service Providers to ensure that the investment strategy is adapted to the changing demographic profile of our membership base, that the Investment Manager is delivering along the terms of their mandate and that the Administrator is adequately equipped with the necessary support resources to deliver on the administrative processes entrusted to them.

## SCHEME RULES

During the year, following a major revision of our Scheme rules for improved versatility, we received the requisite regulatory approval to move forward in that respect. This revision was also deemed necessary to ensure compliance with latest statutory changes. We expect that the new Scheme Rules will facilitate the adherence of additional sponsoring employers.

## BUSINESS AND REGULATORY LANDSCAPE

The payment to the Portable Retirement Gratuity Fund took effect as from January 2022 and this has encouraged more employers to consider sponsoring new pension schemes for their employees. The Scheme has also benefited from this wave of awareness and interest, and we are optimistic of an upcoming increase in the membership in the coming year.

## LOOKING AHEAD

In light of the foregoing and with the continual change and demands of the labour market, particularly considering talent retention strategies being adopted by employers, the Group Pension business is taking a new shape and the NIC Multi-Employer Pension Scheme will certainly position itself and build on this growing momentum.

The Board of Trustees faces the future with much optimism and we are confident that our strategy and resources are well geared to allow us withstand the challenges that face us and bring the best value and peace of mind to our members.

On this note, I thank the Trustees, the Promoter and our various Service Professionals for their strong collaboration, support and expertise and I thank all our members for their ongoing trust.

**Vikash Peerun**  
Chairperson

# scheme Information & Membership Profile



## VISION

We aim to be the pension scheme of choice for all stakeholders through our commitment, fiduciary responsibility, transparency, accountability and service excellence.

## CORE VALUES

### Integrity

we will always be honest, fair, transparent and trustworthy in everything we do.

### Accountability

To the members and beneficiaries for performance, dedication, and ethical practices in the running of the Scheme.

### Professionalism

We will always conduct ourselves in a professional manner, demonstrated through compliance with laws, adherence to best practices and by our actions, standing and compassion.

### Service

We will strive to deliver the highest quality of service to all our stakeholders in an innovative, professional and respectful manner.

### Stewardship

As stewards of members' funds, we will strive to enhance and increase the value of the fund for our members.

## MISSION

We improve members' life through our expertise and commitment to educating, communicating with and securing long-term sustainable and rewarding benefits for our members and their beneficiaries.

## GUIDING PRINCIPLES

Delivering retirement benefits in an equitable, accurate, courteous, professional, and prompt manner;

Designing and administering innovative bespoke and diverse schemes to employers' and members' needs;

Ensuring that all benefits are appropriately funded;

Maintaining trust through sound and informed decision making and by being an ethical, effective and cost-efficient entity;

Obtaining the highest return on our investment portfolio to grow and thrive in a safe and prudent manner;

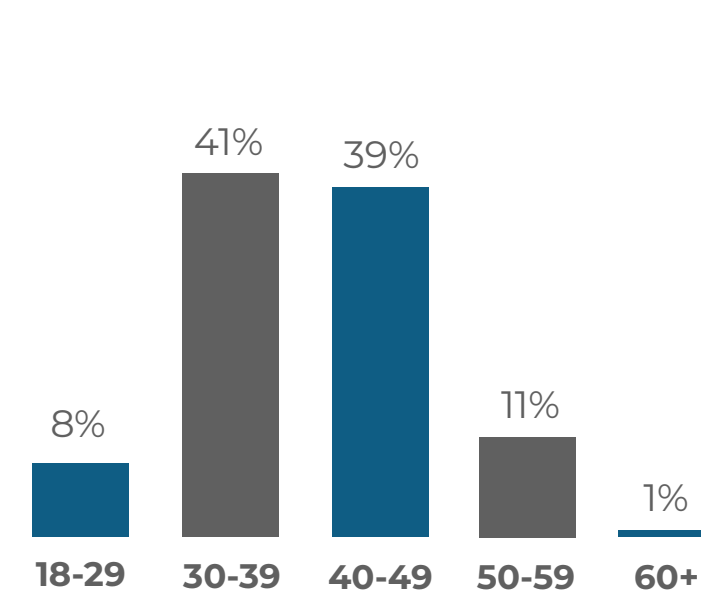
Ensuring operational equity between members from both small and large employers;

Providing meaningful information, awareness and education to all employers and members in a timely and consistent manner; and

Discharging our duties in the advancement of the local pension industry.

## MEMBERSHIP PROFILE

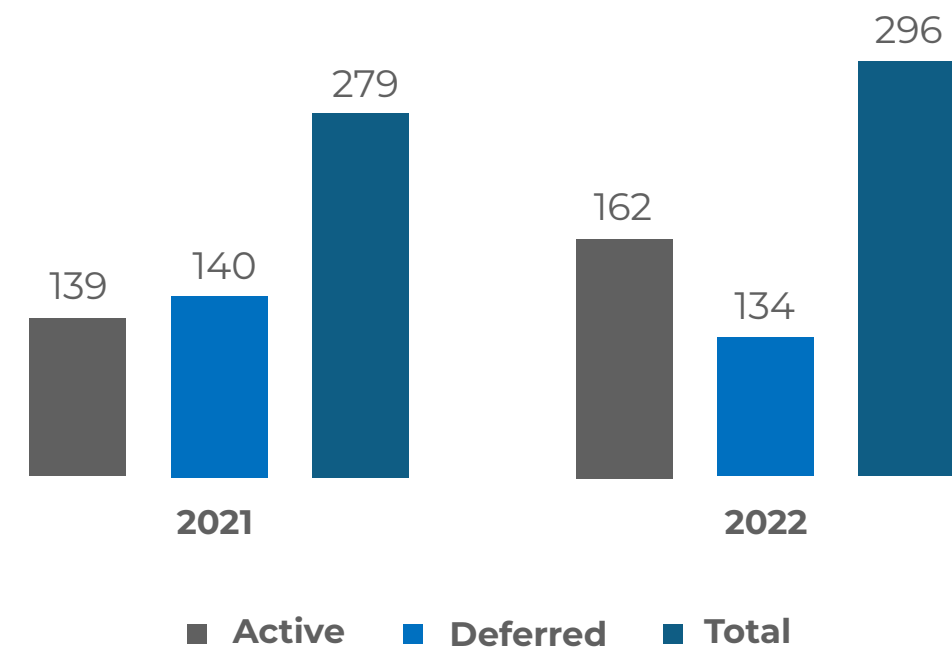
### Age (%)



### Gender (%)



### No. of Members







## show respect to Animals

Respect for animal welfare is often based on the belief that nonhuman beings are sentient and that consideration should be given to their well-being or suffering, especially when they are under the care of humans.



Source:  
Internet - Various bodies, foundations, agencies and social groups promoting  
animal welfare, kindness and sustainable initiatives on the global front.





# board of Trustees



**MR. PEERUN  
VIKASH**

CHAIRPERSON



**DR. DOOBREE  
DANESHWAR**

VICE-CHAIRPERSON



**MRS. MOONOOSAMY  
CHITRA DEVI (REENA)**

TRUSTEE

Mr. Vikash Peerun is currently the Chief Executive Officer of the National Property Fund Ltd, the holding company of the NIC Group. Mr Peerun holds an MSc International Securities, Investment & Banking from the University of Reading, UK. and a BA Dual (Hons) Business Administration & Environment Management from Keele University, UK. He also holds professional membership with the Association of Certified Fraud Examiners, US and is an affiliate of the Association of Chartered Certified Accountants (ACCA). He has significant experience and expertise in the field of financial services, forensic & money-laundering investigation, compliance & management amongst others. He fulfilled several senior roles both locally and internationally with key institutions including SBM Bank (Mauritius) Ltd, Serious Fraud Office (UK) and Independent Commission Against Corruption (Mauritius) amongst others.

Dr. Daneshwar Doobree is presently a Management Consultant and an adjunct Senior Lecturer in Financial Management, Human Resources Management, Good Governance & Corporate Ethics and Research Methodology. He holds a B.A. (Hons) in Economics, M.B.A. (Finance) from the University of Delhi (India), MSc (Human Resources) from University of Surrey (U.K.) and Doctor in Business Administration (DBA) from University of S. Queensland (Australia). He started his career at the Bank of Mauritius as a Clerical Officer in 1976 and served for 35 years in different grades of Research Officer, Senior Research Officer, Assistant Director - Administration and Head - Banking and Currency before retiring in 2015. He has also been an adjunct Lecturer/Senior Lecturer in modules related to Human Resource Management/Business Administration as well as Banking and Finance at the post-graduate, graduate and undergraduate levels at the University of Mauritius and the Open University of Mauritius for the past twenty-five years. He is a Rotarian and is engaged in a number of philanthropic and social activities.

Mrs. Moonoosamy holds a BSc (Hons) in Economics, a Bachelor (Hons) in Law and an LLM in International Financial and Commercial Law. She is a Chartered Governance Professional and a Fellow Member of The Chartered Governance Institute (FCG), a Chartered Member of the Chartered Institute of Personnel and Development (CIPD), presently serving as the GCISO of the NIC Group and a Fellow Member of the Mauritius Institute of Directors. She is the Chief Services Officer at the National Insurance Co. Ltd, NIC General Insurance Co. Ltd and NIC Properties Co. Ltd, and in charge of the Life & General Insurance Operations Legal & Compliance and Human Resources. She also fulfils the role of Money Laundering Reporting Officer of NIC Group. She has held various strategic positions in her cross-industry experience of over 25 years notably in Insurance, Financial Services, Business Process Outsourcing, Healthcare Services and Retail markets. She is also the Vice President (Long Term) of the Insurers Association of Mauritius and the author of academic papers on governance. She is also a Certified Anti-Money Laundering Specialist (CAMS).

The Trustees are ultimately responsible for the administration of the Scheme, the management or investment of the assets of the Scheme, ensuring adherence to the terms of the constitutive documents, the protection of the best interest of beneficiaries and ensuring that the Scheme fulfils its overriding objective to provide for pension benefits.



**MR. MEWASINGH  
LAXMAN**

TRUSTEE

Mr. Mewasingh holds an LLM in International Business Law and an LLB (Hons) and cumulates over 19 years of professional experience. He has, in the past, worked as in-house corporate legal for BAI Co (Mtius) Ltd and National Insurance Co Ltd. He has also undertaken various compliance related roles. He is currently the MLRO and Compliance Officer of Standard Bank Trust Co Mauritius.



**MR. SUMMUN  
SHAKEEL**

TRUSTEE

Mr. Summun is a Fellow of the Association of Chartered Certified Accountants and a CFA Charter holder. He cumulates over 20 years of professional experience in the Financial Services sector. He is the Chief Financial Officer of the National Insurance Co. Ltd, NIC General Insurance Co. Ltd and NIC Properties Co. Ltd. He is presently in charge of the Finance, Investment, Actuarial, Pensions, Premium Management and Loans functions. He was a former Panel Network Member of ACCA Mauritius. He has been in practice as auditor with Deloitte Mauritius and Ernst & Young as well as worked in the offshore sector as Client's Accountant. He has held several C-Level positions in the Insurance Industry and assisted on international projects. He is a Fellow Member of the Mauritius Institute of Directors. He was also a former board member, as an Independent Non-Executive Director, of the SBM Bank (Mauritius) Ltd. In 2014, he was awarded the "Young Achiever Award 2014" by the Africa Leadership Awards.

## CORPORATE DATA

### REGISTERED OFFICE

NIC Centre  
217 Royal Road  
Curepipe  
Republic of Mauritius

### SPONSORING EMPLOYERS

- National Insurance Co. Ltd
- NIC General Insurance Co. Ltd
- National Property Fund Ltd
- Glenara Legal Limited
- Eversheds (Mauritius) Ltd

### ADMINISTRATOR

National Insurance Co. Ltd  
NIC Centre  
217 Royal Road  
Curepipe  
Republic of Mauritius

### AUDITORS

Moore  
Chartered Accountants  
6th Floor, Newton Tower  
Sir William Newton Street  
Port Louis  
Republic of Mauritius

### CUSTODIAN

The Mauritius Commercial Bank Limited  
5th Floor, Harbour Front Building  
John Kennedy Street  
Port Louis  
Republic of Mauritius

### ACTUARY

Aon Solutions Ltd  
1st Floor, The Pod  
Vivéa Business Park  
Moka  
Republic of Mauritius

### BANK

The Mauritius Commercial Bank Limited  
Sir William Newton Street  
Port Louis  
Republic of Mauritius

### INVESTMENT MANAGER

MCB Investment Management Co. Ltd  
9-15 Sir William Newton Street  
Port Louis  
Republic of Mauritius

### COMPANY SECRETARY

Prime Partners Ltd  
15th Floor, Air Mauritius Centre  
6, President John Kennedy Street  
Port Louis  
Republic of Mauritius

## ABOUT OUR SERVICE PROVIDERS

### NATIONAL INSURANCE CO. LTD

The National Insurance Co. Ltd offers an end to end service for the administration of private pension schemes. This entails setting up of tailored pension arrangements that meet clients' needs, drafting rules of the pension arrangement, seeking approval from the regulator, preparing and delivering member communications and administering the pension arrangement. The Company currently administers pension schemes of over MUR 400 million.

### AON SOLUTIONS LTD

Established in 1997, Aon Solutions Ltd is an actuarial, employee benefits and investment consultancy firm which provides actuarial consultancy services to more than 200 clients in Mauritius and other countries with total scheme assets in excess of MUR 100 billion. Aon Solutions has 37 associates in Mauritius and is the leading provider of HR and employee benefit consulting and outsourcing services.

### MOORE

Moore has been operating since 1990 and is part of the Moore Global Network, which is one of the world's leading international accounting and consulting organisations outside the Big Four. Today their network has 301 independent firms and 626 offices in 108 countries throughout the world.

### THE MAURITIUS COMMERCIAL BANK LIMITED

The Mauritius Commercial Bank Limited has been active in banking services in Mauritius since 1838 and has over 25 years experience in providing custody services to institutional clients. MCB currently has over USD 12.2 billion of assets and over 2,250 client portfolios under custody.

### MCB INVESTMENT MANAGEMENT CO. LTD

MCB Investment Management Co. Ltd is licensed and regulated by the Financial Services Commission to conduct investment management and advisory services. With over 20 years of solid experience and track record in advising and managing pension and investment funds, MCBIM currently has assets under management of around MUR 30 billion. It is a subsidiary of MCB Capital Markets Ltd which offers services such as Corporate Finance, Advisory, Investment Management, Stockbroking, Private Equity and Registry.

### PRIME PARTNERS LTD

Prime Partners Ltd is a wholly owned subsidiary of The State Investment Corporation Limited and is actively involved in the provision of statutory corporate secretarial services and registrar and transfer office services to Domestic Companies / Trusts / Mutual Funds registered in Mauritius.

# investment policy Statement





## INVESTMENTS

### TIME HORIZON

The Scheme invests in long term assets and the ultimate objective is to maximise returns over the long term, bearing in mind risk levels and diversification. These investment objectives of the Scheme are not framed relative to the performance of other pension schemes or market indices, although these can be used to measure the performance of the assets chosen.

### ADMISSIBLE ASSETS AND LIMITATIONS

The Scheme is allowed to invest in the following assets:

- Local and foreign equities;
- Local and foreign fixed income instruments

General restrictions and limitations are in line with the Private Pension Schemes (Investment) Rules 2013.

### ASSET ALLOCATION STRATEGY AND LIMITS

Strategic asset allocation should be the outcome of a systematic process that balances risk and reward, taking into account the Scheme's specific liability structure, its maturity, the investment time horizon and risk tolerance. The strategic long term asset allocation is arguably the most important decision that an investor is required to make.

### REBALANCING OF ASSET ALLOCATION

The Trustees have accepted the responsibility for determining the strategic asset allocation for the Scheme, guided by the Scheme's investment objectives, constraints and democratic profile. In setting the strategic asset allocation policy, the Trustees have taken into account the statutory requirements with regards to the asset classes allowed for investment, the risk and return characteristics of the different asset classes and the benefits of diversification.

The Trustees understand that exposure to assets with more risk is required in order to achieve the long-term target real returns. Short-term losses are less important for investors with a long-term horizon as there is time to recover from the loss. However, members close to retirement have no such long-term horizon and do not have time to recover losses.

The investment strategy has been discussed with the Actuary. This strategic asset allocation will be reviewed at least once every 3 years to make sure that the investments of the Scheme are still in line with the age profile of the Members.

### INVESTMENT MONITORING

The performance of the Pension Investment Manager is assessed against its ability to add value within each asset as well as by actively managing the asset allocation within the permitted variances.

## RISK MANAGEMENT

### RISKS

The Trustees recognise a number of risks involved in the investment of the Scheme assets, including:

- The risk of failing to meet members' expectations. To mitigate this risk the Trustees will take advice and monitor the investments at least quarterly.
- Equity Risk - Equity Risk is the risk that share prices will change. The Scheme has an exposure to equity risk in a prudent manner. The exposure is taken in order for the Scheme to benefit from the superior inflation beating returns that equities offer over the long term compared to any other asset class.
- Inflation Risk - Inflation Risk is the risk that general prices of goods and services will go up over time. In order to prevent the assets of the Scheme from losing purchasing power, the Scheme's investment return objective aims to exceed inflation.

- Interest Rate Risk - Interest Rate Risk is the risk that interest rates will change and that this will negatively or positively affect the relative value of interest bearing assets such as bonds. The Scheme has an exposure to interest rate risk. This exposure is taken in order for the Scheme to benefit from the additional diversification that interest bearing assets bring to an investment portfolio.
- Currency Risk - The Scheme has an exposure to currency risk, which occurs when all the assets and liabilities of the Scheme are not denominated in the same currency. This exposure is taken in order for the Scheme to benefit from the additional diversification offered by investing abroad.
- Risk of inadequate diversification or inappropriate investments. Diversification will be achieved by spreading the investments across several asset classes as approved by the Trustees.
- Liquidity risk - This is controlled by giving preference to investments which are rather liquid and can be traded at short notice.
- Geographical and political risks - These are mitigated through the approach to diversification.

The Trustees will keep the risks under regular review in consultation with the statutory actuary and investment manager.

### RISK OBJECTIVES AND TOLERANCE

The Trustees require:

- The Scheme to be broadly diversified across and within asset classes to limit the volatility of the overall Scheme investment return.
- Pension Investment Managers to comply with the Private Pension Schemes (Investment) Rules 2013.
- Compliance with all elements of the Investment Policy Statement.

The Trustees will monitor the variation in returns achieved by the Investment Managers and portfolios as well as the Scheme as a whole on a quarterly basis.

## POLICY GUIDELINES

### FIDUCIARY DUTY

The Trustees have the ultimate fiduciary responsibility for the Management of the Scheme. The Trustees are responsible for:

- Establishing, approving and maintaining the Investment Policy Statement, Periodically evaluating the investment performance of the investment options offered, based on the levels of risk and associated risk time horizons of the investments
- Disclosing the Investment Policy Statement on a regular basis to Members
- Ensuring members of the Board of Trustees are trained on an on-going basis to equip them to effectively carry out their functions
- Adhering to all applicable Legislation/Rules
- Exercising any voting rights on behalf of the Scheme. The Trustees can choose to allow the Pension Investment Manager of the investment options to exercise any voting rights on behalf of the Scheme
- Disclosing any potential conflicts of interest.

### BEST INVESTMENT DECISION AND EXECUTION

Investment decisions will be executed in the best interests of the Scheme taking into account the investment policy agreed by the Trustees. In addition, the price, costs, speed, probability of completion and settlement, size, nature and other relevant trade issue of the investments and markets will be taken into account whilst choosing the best broker, trading system and platform, etc in achieving the best results on the trade.





## show kindness towards humans

Kindness has been found to improve mental wellbeing dramatically. It's important to show kindness to others, but sometimes, older people need it more than others, especially those who are vulnerable. As people get older, it can lead to isolation. As such, kindness can offer a unique way of boosting wellbeing and bringing joy.



Source:  
Internet - Various bodies, foundations, agencies and social groups promoting  
animal welfare, kindness and sustainable initiatives on the global front.



# investment managers Review

## MARKET REVIEW

For the year ended 30 June 2022, both SEMDEX and DEMEX closed in positive territories +14.2% and +4.1% respectively despite all the turmoil linked to the Russian - Ukrainian war which caused a drastic fall in market values globally. Though the second half of the financial year was less positive than the first half, market sentiment was underpinned by encouraging earnings releases, improving perspectives for several sectors, opening of our frontiers to tourist and dividend payment resumption. At end of June 2022, market PE stood at 12.74 with a dividend yield of 3.35%. Foreigners were net sellers on the market and the most traded stock by the latter was MCB Group.

The year has been chaotic for foreign equity investors. It was marked by growing number of geopolitical and macro-economic risks with drastic sell-offs in some parts of the market. Following the onset of the Russian invasion in Ukraine, a significant surge in commodity prices occurred due to supply shortages resulting from the conflict as Russia looks to weaponize its control over natural gas, oil and major raw materials. The impact of the US and Europe banning the import of Russian oil and gas has already been felt as the gap in supply saw the price of Brent crude climb above \$120 a barrel.

All these have had significant reverberations on equities. The MSCI All Country World Index, was down -15.4% on a YoY basis. The second quarter of 2022 was even more challenging as global central banks raised interest rates at an accelerated pace due to historically resistant and persistent levels of inflation across major developed markets. The MSCI ACWI index was down -16.0% during this period. Though there were declines in the MSCI All Country World indices for Consumer staples (-6%), Health Care (-7%) and Utilities (-7%) their relative outperformance during the quarter suggests a pattern of investors positioning themselves for a potential recession. As a result, there were steep declines for cyclical stocks reflected by the respective declines in the MSCI All Country World Consumer discretionary (-21%) and Industrials (-16%) indices.

The Monetary Policy Committee (MPC) of the Bank of Mauritius rose interest rates by 25 basis points in June 2022, to 2.25% p.a. Inflation remains elevated, largely driven by supply-side factors including surging imported food and energy prices, causing supply-chain disturbances and higher freight costs. It stands at 9.6% in June 2022, from 6.5% in July 2021, and is expected to persist through 2022.

With sustained policy support and the lifting of travel restrictions, the domestic economy continues to recover. The full re-opening of borders revived the tourism sector, with positive effects on sectors like agriculture, transportation, trade, and innovative industries among others. GDP growth stood at 6.2% in March 2022.

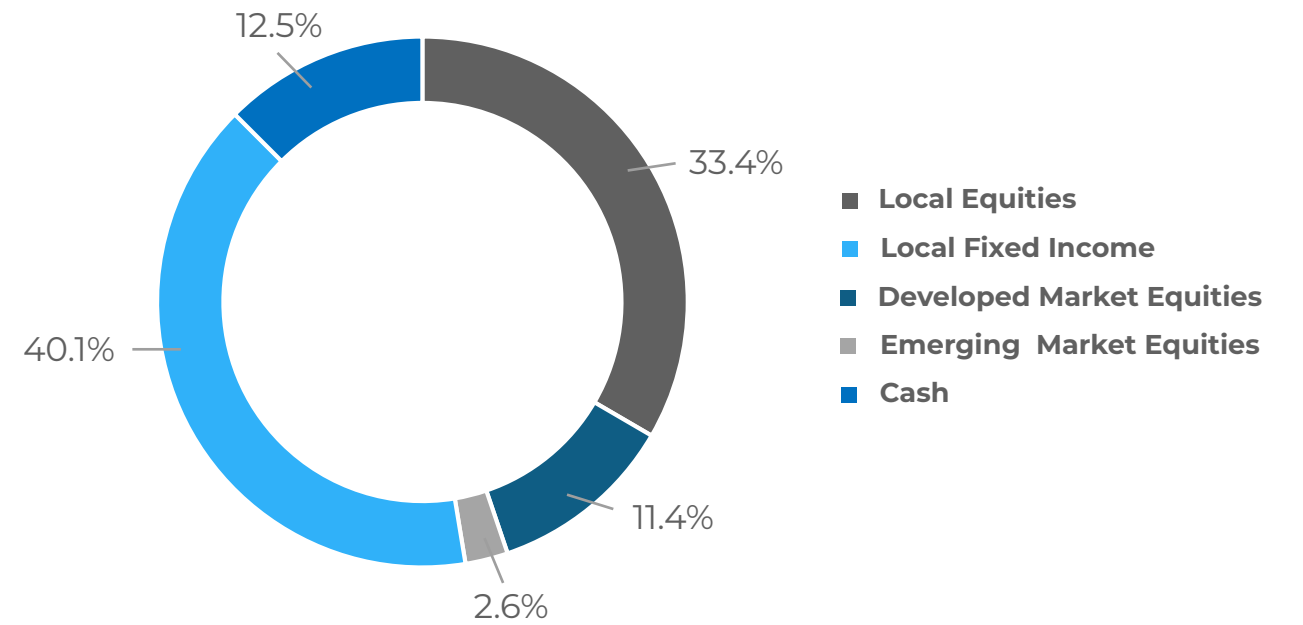
Yields remained almost unchanged over the year. On the front end of the curve (up to one year), yields fell between 5 to 15 basis points, and on the 20Y it fell by 17 basis points. The middle to long end of the curve (3 to 15 Year) saw a slight increase, between 9 to 25 basis points.

Foreign Bonds continued to sell off sharply, with yields markedly higher amid still elevated inflation data, hawkish central banks and rising interest rates. Bonds rallied into quarter-end amid rising growth concerns, slightly curtailing the negative returns. Data throughout the quarter showed inflation rates in major economies continuing to run at multi-decade highs, with various central banks raising interest rates and others signalling their intention to do so soon.

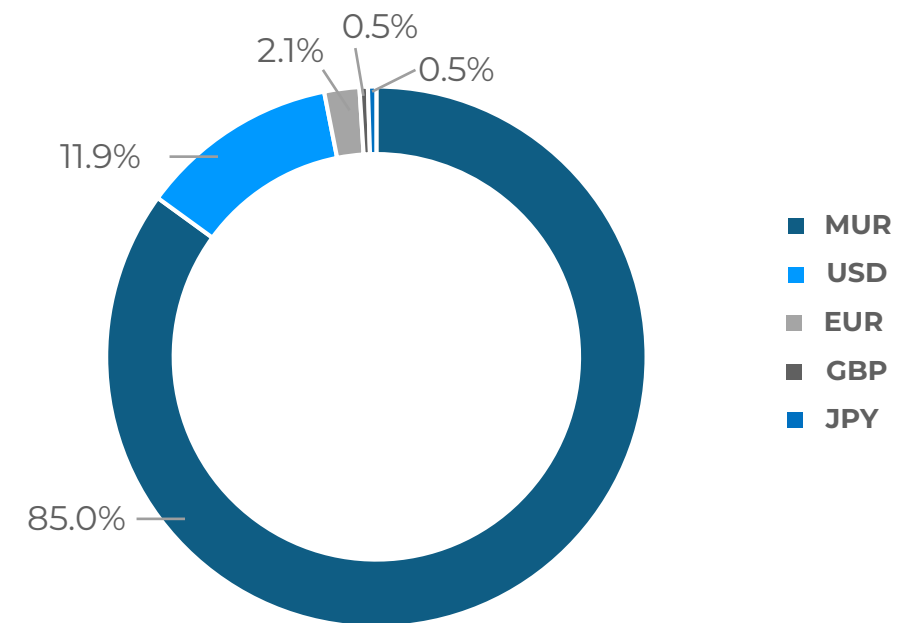


# investment performance Review

## Asset Class - % Allocation



## Currency Allocation



## Outlook

Going forward, market volatility will persist. Besides the war in Ukraine, the pace of interest rate hike globally to combat rising inflation and threat of a recession are the main concerns for investors.





## contribute towards promoting wildlife

Thousands of marine animals worldwide have been affected by plastic pollution, including sea turtles, seabirds, and marine mammals. Therefore, Beach clean-ups are vital to mitigate the problem caused by ocean debris and the danger that plastic pollution poses to marine life.



Source:  
Internet - Various bodies, foundations, agencies and social groups promoting  
animal welfare, kindness and sustainable initiatives on the global front.





# report of the board of Trustees

## REPORT OF THE BOARD OF TRUSTEES

The Board of Trustees has the pleasure to submit its report together with the audited financial statements of **NIC MULTI-EMPLOYER PENSION SCHEME** (the "Scheme") for the year ended 30 June 2022.

### GENERAL INFORMATION

#### Establishment

The Scheme was established on 01 July 2016.

The Scheme was licensed by the Financial Services Commission under the Private Pension Schemes Act 2012 on 16 October 2017 to operate as a Pension Scheme.

#### Object

The object of the Scheme is to provide retirement, withdrawal, death and disablement benefits for the beneficiaries as described in the Rules (the "Rules") of the Scheme. Membership is open to any Sponsoring Employer willing to join the Scheme and their adherence to the Scheme is subject to the approval of the Financial Services Commission. Each Sponsoring Employer participating in the Scheme will have its own Rules whereby benefits are tailored to their requirements. The Sponsoring Employers and eligible employees, where applicable, are required to make monthly contributions to the Scheme in accordance with the Rules.

#### Scheme's policy

Contributions to the Scheme are paid monthly in arrears and represent a percentage of the monthly Pensionable Salary of each eligible employee. Such contributions go into each Personal Member Account (PMA). The sponsoring employers also contribute a percentage of monthly Pensionable Salary to cover for all administrative and other expenses and cost of death and disablement risks referred to in the Rules of the Scheme. All employees who are members of the Scheme may make additional voluntary contributions to the Scheme.

### INVESTMENT POLICY

The Board of Trustees determines, in conjunction with the Actuary, the investment policy to be adopted by the Scheme.

### BOARD OF TRUSTEES

The Board of Trustees is made up as follows:

Name	Title	Date appointed	Date ceased
Mr. Vikash Peerun	Chairperson	27 August 2020	-
Dr. Daneshwar Doobree	Vice-Chairperson	27 August 2020	-
Mrs. Chitra Devi Moonosamy	Trustee	01 July 2016	-
Mr. Laxman Mewasingh	Trustee	01 July 2016	-
Mr. Shakeel Summun	Trustee	26 August 2021	-



## Report of the Board of Trustees (Continued)

### TRUSTEES MEETING ATTENDANCE

The attendance of members of the Board of Trustees at meetings during the financial years ended 30 June 2022 and 2021.

Name of Trustees	Year ended 30 June 2022	Year ended 30 June 2021
Mr. Vikash Peerun	4/4	2/2
Dr. Daneshwar Doobree	4/4	2/2
Mrs. Chitra Devi Moonosamy	3/4	4/4
Mr. Laxman Mewasingh	3/4	4/4
Mr. Shakeel Summun	3/3	N/A

### Benefits payable under the Scheme

The Scheme is a defined contribution plan.

#### Retirement Benefits

The benefits payable under the Scheme are summarised as follows:

- (a) When a member retires from service on his normal retirement date, he shall become entitled to a pension that shall be calculated by applying the appropriate Annuity Factor then in force to his Personal Member Account (PMA). The Member may also elect to apply, instead, for a joint pension on his life and that of his spouse.
- (b) A member may retire from service on or after attaining an Appropriate Retirement Age, with the consent of his employer. He shall then be entitled to a pension that shall be calculated by applying the appropriate Annuity Factor then in force to his PMA. Appropriate Retirement Age is as defined by the Private Pension Schemes (Licensing and Authorisation) Rules 2012.
- (c) A member may retire early from service on account of permanent ill-health, if the retirement is with the consent of the employer and the trustees on the condition that the trustees receive satisfactory medical evidence of the member's ill-health and:
  - (i) the trustees have received evidence from a registered medical practitioner that the member is (and will continue to be) incapable of carrying on his occupation because of physical or mental impairment, and
  - (ii) the member has in fact ceased to carry on his occupation.

The member will then be entitled to a pension that shall be calculated by applying the appropriate Annuity Factor then in force to his PMA.
- (d) A member may, with the consent of the employer, take a late retirement and will be entitled to a pension that shall be calculated by applying the appropriate Annuity Factor then in force to his PMA.
- (e) Members also have a number of commutation options to choose at retirement.

## Report of the Board of Trustees (Continued)

### Death and Disablement benefits

- (a) Death in service: A lump sum benefit equal to a multiple of the member's monthly pensionable salary is payable to his beneficiary and a pension is paid to the spouse, this pension being calculated by applying the appropriate Annuity Factor then in force to the PMA. In case there is no spouse, a lump sum equal to the PMA is paid to the legal personal representative.

Death occurring after retirement: the spouse, if any, will receive a pension previously secured by his PMA at his date of retirement and depending on the commutation option previously chosen.

Death in deferment: A lump sum benefit equal to the PMA at the day before his date of death is payable.

- (b) Disablement benefits: A lump sum benefit equal to a multiple of the member's monthly pensionable salary is payable.

### Board of Trustees' responsibilities for the preparation of the financial statements

The Board of Trustees is responsible for the preparation and fair presentation of the financial statements, comprising the statement of net assets available for benefits as at 30 June 2022, and the statement of changes in net assets available for benefits, general account and statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and comply with the Private Pension Schemes Act 2012.

The Board of Trustees's responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Board of Trustees has made an assessment of the Scheme's ability to continue as a going concern and has no reason to believe the Scheme will not be a going concern in the year ahead.

### Membership

At 30 June 2022, there were **162** active members (30 June 2021: 139), **134** deferred members (30 June 2021: 140).

The membership of the Scheme at the beginning and end of period and changes during the year are set out as below:

#### Active members

	Count Year 2022	Count Year 2021
<b>Active members at start</b>	<b>139</b>	299
New entrants	27	3
<b>Leavers and exits during the year:</b>		
Retirements	-	(48)
Death	-	-
Deferred pensioners	(4)	(113)
Transfer outs	-	(2)
<b>Active members at end</b>	<b>162</b>	139

## Report of the Board of Trustees (Continued)

### Deferred members

	Count Year 2022	Count Year 2021
<b>Deferred members at start</b>	<b>140</b>	27
New deferred pensioners	4	113
<b>Exits during the year:</b>		
Retirements	(3)	-
Death	(1)	-
Transfer outs	(6)	-
<b>Deferred members at end</b>	<b>134</b>	140

### Trustees' remuneration

Trustees	2022 MUR	2021 MUR
Mr. Vikash Peerun	<b>240,000</b>	160,000
Dr. Daneshwar Doobree	<b>180,000</b>	120,000
Mrs. Chitra Devi Moonosamy	<b>90,000</b>	60,000
Mr. Laxman Mewasingh	<b>90,000</b>	60,000
Mr. Shakeel Summun	<b>76,364</b>	-
<b>Total</b>	<b>676,364</b>	400,000

### Auditors

The auditors **Moore** (Chartered Accountants), have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the next meeting of the Board of Trustees.

### For and on behalf of the Board of Trustees



**Chairperson**  
Mr. Vikash Peerun



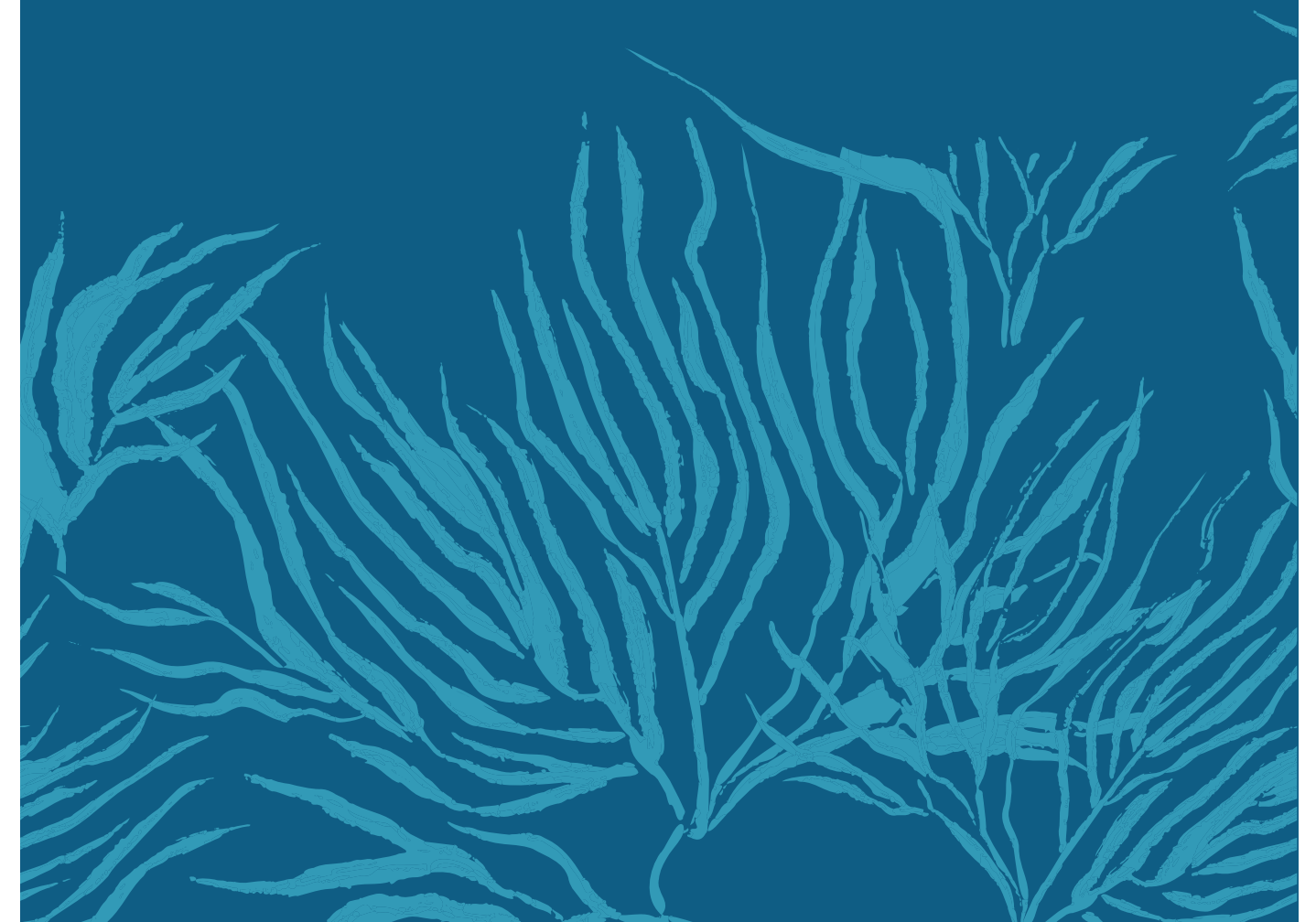
**Vice-Chairperson**  
Dr. Daneshwar Doobree

**Date: 28 September 2022**

# Do things for people

NOT BECAUSE OF WHO  
THEY ARE OR WHAT  
THEY DO IN RETURN.  
BUT BECAUSE  
OF WHO YOU ARE.

- HAROLD S. KUSHNER -







## contribute for the Earth Cleanliness

Cleaning the environment is the key to existence and survival of life on planet earth. Maintaining a clean environment reduces pollution, preserves our biosphere, protects endangered species, and also helps preserve the earth's natural resources. In society, the state of cleanliness of a society represents the mindset.



Source:  
Internet - Various bodies, foundations, agencies and social groups promoting  
animal welfare, kindness and sustainable initiatives on the global front.



# independent auditors' Report



## Moore Mauritius

6th Floor, Newton Tower  
Sir William Newton Street  
Port-Louis, Mauritius

T +230 211 6535

F +230 211 6964

E moore-mauritius@intnet.mu

www.moore-mauritius.mu

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NIC MULTI-EMPLOYER PENSION SCHEME

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of **NIC MULTI-EMPLOYER PENSION SCHEME** (the "Scheme") as set out on pages 44 to 63, which comprise the statement of net assets available for benefits as at 30 June 2022 and the statement of changes net assets available for benefits, the general account, and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements give a true and fair view of the financial position of the Scheme as at 30 June 2022 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the requirements of the Private Pension Scheme Act 2012.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the financial statements section of our report. We are independent of the Scheme in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Information

The Board of Trustees is responsible for the other information. The other information comprises the Report of the Board of Trustees, the Chairperson's Statement, the Scheme Information, the Investment Policy Statement, the Investment Manager's Review and any other information. The other information does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

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



**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF  
NIC MULTI-EMPLOYER PENSION SCHEME (Continued)**

**Report on the audit of the financial statements (Continued)**

**Board of Trustees' responsibility for the financial statements**

The Board of Trustees is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in compliance with the Private Pension Scheme Act 2012, and for such internal control as the Trustees determine 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, the Board of Trustees is responsible for assessing the Scheme'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 the Trustees either intend to liquidate the Scheme or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

Our 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our 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 Scheme's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Trustees.
- Conclude on the appropriateness of the Board of Trustees' 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 Scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF  
NIC MULTI-EMPLOYER PENSION SCHEME (Continued)**

**Report on the audit of the financial statements (Continued)**

**Auditors' responsibilities for the audit of the financial statements (Continued)**

- Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Scheme 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.

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Other Matter**

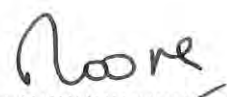
This report is made solely to the Scheme's members. Our audit work has been undertaken so that we might state to the Scheme's members those matters that we are required to state in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme and the Scheme's members, for our audit work, for this report, or for the opinions we have formed.


**Report on other legal and regulatory requirements**

We have no relationship with or interests in the Scheme other than in our capacity as auditors.

We have obtained all the information and explanations required.

In our opinion, proper accounting records have been kept by the Scheme as far as it appears from our examination of those records.

  
.....  
**MOORE**  
Chartered Accountants  
Port Louis  
Mauritius

  
.....  
**Arvin Rogbeer, FCA, FCCA**  
Licensed by FRC

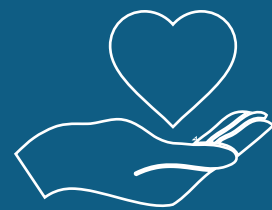
DATE: 28 September 2022





## volunteer and give time to Charity

Donating to charity is a major mood-booster. The knowledge that you're helping others is hugely empowering and, in turn, can make you feel happier and more fulfilled. Research has identified a link between making a donation to charity and increased activity in the area of the brain that registers pleasure—proving that as the old adage goes, it really is far better to give than to receive.



Source:  
Internet - Various bodies, foundations, agencies and social groups promoting  
animal welfare, kindness and sustainable initiatives on the global front.





# financial Statements

## STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

AS AT 30 JUNE 2022

	Notes	2022 MUR	2021 MUR
<b>Assets</b>			
<b>Non-current assets</b>			
Investments in financial assets	7	138,352,400	108,719,540
<b>Current assets</b>			
Accounts receivable	8	371,943	9,780
Cash and cash equivalents	9	28,859,945	14,566,212
<b>Current assets</b>		<b>29,231,888</b>	<b>14,575,992</b>
<b>Current liabilities</b>			
Accounts payable	10	(4,008,803)	(1,899,229)
<b>Net current assets</b>		<b>25,223,085</b>	<b>12,676,763</b>
<b>Net assets</b>		<b>163,575,485</b>	<b>121,396,303</b>
<b>Financed by:</b>			
Personal member account	11	154,722,195	111,253,821
General account	11	8,853,290	10,142,482
<b>Personal member account and general account</b>		<b>163,575,485</b>	<b>121,396,303</b>

These Financial Statements have been approved by the Board of Trustees on **28 September 2022** and signed on its behalf by:



**Chairperson**  
**Mr. Vikash Peerun**



**Vice-Chairperson**  
**Dr. Daneshwar Doobree**

**Date:** 28 September 2022

The notes on pages 48 to 63 form an integral part of these financial statements. Independent auditors' report on pages 38 to 40.



**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**

FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 MUR	2021 MUR
<b>Contributions</b>			
Employers' contributions		7,228,109	23,271,127
Employees' contributions		36,769,973	15,086,510
<b>Total contribution</b>	11	<b>43,998,082</b>	38,357,637
<b>Return on investments</b>			
Fair value gain on on financial assets at fair value through profit or loss	7	612,933	9,707,148
Foreign exchange gains on foreign accounts		4,166	212,472
Profit on disposal		163,960	(15,531)
Foreign exchange gains		235,447	1,404,554
Dividend income		2,006,264	415,382
Interest income		1,904,575	1,460,794
Brokerage fees		(57,126)	(146,711)
Withholding taxes		(51,052)	(37,896)
<b>Total return on investments</b>		<b>4,819,167</b>	13,000,212
Benefits paid		(5,141,399)	(36,497,843)
Admin Fees		(207,476)	(96,655)
<b>Net assets available for benefits</b>		<b>43,468,374</b>	14,768,351

The notes on pages 48 to 63 form an integral part of these financial statements. Independent auditors' report on pages 38 to 40.

**GENERAL ACCOUNT**

FOR THE YEAR ENDED 30 JUNE 2022

	2022 MUR	2021 MUR
<b>Income</b>		
Contribution towards expenses	1,462,436	2,393,252
<b>Total income</b>	<b>1,462,436</b>	2,393,252
<b>Expenses</b>		
Administration fees	257,457	528,217
Investment manager fees	557,075	622,783
Custodian fees	139,063	83,564
Actuarial fees	799,250	690,000
Audit fees	110,000	103,500
Licence fees	9,780	9,750
Secretarial fees	119,753	109,480
Trustee fees	676,364	400,000
Other expenses	82,886	5,999
<b>Total expenses</b>	<b>2,751,628</b>	2,553,293
<b>Deficit of income over expenses for the year</b>	<b>(1,289,192)</b>	(160,041)

The notes on pages 48 to 63 form an integral part of these financial statements. Independent auditors' report on pages 38 to 40.

**STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 MUR	2021 MUR
<b>Operating activities</b>			
Contributions received		43,998,082	38,357,637
Administrative fees received		1,462,436	2,393,252
Benefits paid		(5,141,399)	(36,497,843)
Movement in accounts receivable		(362,163)	26,710
Movement in accounts payable		2,109,573	(90,890)
General account expenses		(2,751,628)	(2,553,293)
Administrative fees paid		(207,476)	(96,655)
Brokerage fees paid		(57,126)	(146,711)
Taxes paid		(51,052)	(37,896)
<b>Net cash generated from operating activities</b>		<b>38,999,247</b>	<b>1,359,311</b>
<b>Investing activities</b>			
Interest income		1,904,575	1,460,794
Dividends received		2,006,264	415,382
Disposal of financial assets at fair value through profit or loss	7	8,139,450	2,946,980
Purchase of financial assets at fair value through profit or loss	7	(36,759,969)	(30,069,533)
<b>Net cash used in investing activities</b>		<b>(24,709,680)</b>	<b>(25,246,377)</b>
<b>Net change in cash and cash equivalents</b>		<b>14,289,567</b>	<b>(23,887,066)</b>
Cash and cash equivalents, beginning of year		14,566,212	38,240,806
Exchange differences on cash and cash equivalents		4,166	212,472
<b>Cash and cash equivalents, end of year</b>	9	<b>28,859,945</b>	<b>14,566,212</b>

The notes on pages 48 to 63 form an integral part of these financial statements.  
Independent auditors' report on pages 38 to 40.

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2022

**1. General information**

**NIC MULTI-EMPLOYER PENSION SCHEME** ("the Scheme") was established on 01 July 2016 in the Republic of Mauritius. On 16 October 2017, the Scheme was licensed by the Financial Services Commission to operate as a Private Pension Scheme under the Private Pension Schemes Act 2012. The Scheme's registered office is NIC Centre, 217 Royal Road, Curepipe, Republic of Mauritius.

The financial statements of the Scheme comply with the Private Pension Schemes Act 2012 and have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

**2. Application of new and revised International Financial Reporting Standards (IFRSs)****(a) Standards, Amendments to published Standards and Interpretations effective in the reporting period**

In the current year, the following new and revised standards and interpretation issued by the IASB became mandatory for the financial year under review:

Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)  
Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)

**(b) Standards, Amendments to published Standards and Interpretations issued but not yet effective**

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after 01 January 2022, or later periods, but which the Trust has not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:

- IFRS 17 Insurance Contracts - Applicable to annual reporting periods beginning on or after 1 January 2023.
- Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16) - Applicable to annual reporting periods beginning on or after 1 January 2022.
- Reference to the Conceptual Framework (Amendments to IFRS 3) - Applicable to annual reporting periods beginning on or after 1 January 2022.
- Onerous Contracts— Cost of Fulfilling a Contract (Amendments to IAS 37) - Applicable to annual reporting periods beginning on or after 1 January 2022.
- Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)- Applicable to annual reporting periods beginning on or after 1 January 2023.
- Classification of Liabilities as Current or Non-current — Deferral of Effective Date (Amendment to IAS 1) - Applicable to annual reporting periods beginning on or after 1 January 2023.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) - Applicable to annual reporting periods beginning on or after 1 January 2023.
- Definition of Accounting Estimates (Amendments to IAS 8) - Applicable to annual reporting periods beginning on or after 1 January 2023.
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) - Applicable to annual reporting periods beginning on or after 1 January 2023.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

### 2. Application of new and revised International Financial Reporting Standards (IFRSs) (Continued)

#### (b) Standards, Amendments to published Standards and Interpretations issued but not yet effective (Continued)

- Annual Improvements 2018-2020 Cycle - Applicable to annual reporting periods beginning on or after 1 January 2022.
  - IFRS 1 First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter,
  - IFRS 9 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities,
  - IFRS 16 Leases - Lease incentives, and
  - IAS 41 Agriculture - Taxation in fair value measurements.

Where relevant, the scheme is still evaluating the effect of these Standards, Amendments to the published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements

### 3. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 3.1 Basis of preparation

The financial statements of **NIC MULTI-EMPLOYER PENSION SCHEME** comply with the Private Pension Schemes Act 2012 and have been prepared in accordance with International Financial Reporting Standards (IFRSs).

The financial statements are presented in Mauritian Rupee (MUR).

The financial statements are prepared under the historical cost convention, except that financial assets and financial liabilities are stated at their fair values or carried at amortised cost.

#### 3.2 Financial assets

The Scheme classifies its financial assets into the following categories depending on the purpose for which the asset was acquired. Other than financial assets in a qualifying hedging relationship, the Scheme's accounting policy is as follows:

##### Fair Value Through profit or loss (FVPL)

The Scheme classifies the following financial assets at FVPL:

- Debt investments for which the entity has not elected to recognise fair value gains and losses through OCI;
- Equity investments that are held for trading and equity investments for which the entity has not elected to recognise fair value gains and losses through OCI;

##### Amortised cost

These assets arise principally from financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

### 3. Significant accounting policies (Continued)

#### 3.2 Financial assets (Continued)

attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for receivables are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Scheme's financial assets measured at amortised cost comprise accounts receivable and cash and cash equivalents in the statement of financial position.

Cash and cash equivalents comprise of cash at bank and short-term deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value.

##### Impairment of financial assets

Financial assets are assessed for indicators of impairment at end of reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For all financial assets objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counter party; or
- Default or delinquency in interest or principal payments; or
- Becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial assets, such as accounts receivable, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Scheme's past experience of collecting payments, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been, had the impairment not been recognized.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 3. Significant accounting policies (Continued)

#### 3.2 Financial assets (Continued)

##### Accounts receivable

Accounts receivable are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

##### Derecognition of financial assets

The Scheme derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Scheme neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Scheme recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Scheme retains substantially all the risks and rewards of ownership of a transferred financial asset, the Scheme continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

#### 3.3 Financial liabilities

Financial liabilities, including accounts payable, are initially measured at fair value, net of transaction costs. Subsequently they are measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

##### Derecognition of financial liabilities

The Scheme derecognises financial liabilities when, and only when, the Scheme's obligations are discharged, cancelled or they expire.

#### 3.4 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of net assets available for benefits if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. Income and expenses will not be offset in the profit or loss unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Scheme.

#### 3.5 Contributions and expenses

Contributions to the Scheme are paid monthly in arrears and represent a percentage of the monthly Pensionable Salary of each eligible employee. Such contributions go into each member's personal account (PMA). The sponsoring employers also contribute a percentage of monthly

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 3. Significant accounting policies (Continued)

#### 3.5 Contributions and expenses (Continued)

Pensionable Salary to cover for all administrative and other expenses and cost of death and disablement risks referred to in the Rules of the Scheme.

Any member may make additional voluntary contributions to his/her Personal Member Account during service with his/her employer.

Withdrawal benefits are accrued benefits for members who have left the Scheme and have opted to transfer these benefits to another personal pension plan or pension scheme of their new employer, or payment of death benefits to designated beneficiaries. As at the year ended 30 June 2022, 10 members had left the Scheme (2021: 50 member left).

#### 3.6 Foreign currencies

##### Functional and presentation currency

Items included in the financial statements are measured using Mauritian rupee (MUR), the currency of the primary economic environment in which the Scheme operates ("functional currency"). The financial statements are presented in Mauritian rupee, which is the Scheme's functional and presentation currency.

##### Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

#### 3.7 Related parties

Parties are considered to be related if one party has control, joint control or exercises significant influence over the other party or is a member of the key management personnel of the other party.

#### 3.8 Provisions

Provisions are recognised when the Scheme has a present obligation as a result of a past event, and it is probable that the Scheme will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the Trustees' best estimate of the expenditure required to settle the obligation at the end of the reporting period. Provisions are reviewed at end of reporting period and adjusted to reflect the current best estimate.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 4. Significant management judgement in applying accounting policies and estimation uncertainty

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

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

#### Significant management judgement

The following is the significant management judgement in applying the accounting policies of the Scheme that has the most significant effect on the financial statements.

#### Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities income and expenses is provided below. Actual results may be substantially different.

#### Going concern

The Scheme's management has made an assessment of the the Scheme's ability to continue as a going concern and is satisfied that the Scheme has the resources to continue in business for the foreseeable future. Furthermore, the Board of Trustees is not aware of any material uncertainties that may cast significant doubt upon the Scheme's ability to continue as a going concern. Therefore, the financial statements have been prepared on the going concern basis.

#### Pension benefits

The present value of the Personal Member Accounts (PMA) depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the investments returns on the assets include the discount rate. Any changes in these assumptions will impact the carrying amount of the PMA. The rate is determined by the insurer, applied to convert a PMA into a monthly pension. It depends on the Member's and/or other beneficiary's gender and prevailing interest and mortality rates.

#### Fair value of unquoted instruments

The fund has invested in unquoted securities. All the securities are debts instruments from reputable financial institutions. The trustees have considered that the fair value of those securities approximate their amortised cost.

### 5. Financial risks

The Scheme is exposed to financial risks through its financial assets and financial liabilities. In particular, the key financial risk is that proceeds from financial assets are not sufficient to fund the obligations arising from pension schemes.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 5. Financial risks (Continued)

The main risks to which the Scheme is exposed are as follows:

#### 5.1 Market risk

Market risk is the risk of adverse financial impact due to changes in fair values or future cash flows of financial instruments from fluctuation in foreign currency exchange rates, interest rates and equity prices.

#### 5.1.1 Foreign currency risk

Foreign exchange risk is the risk that the fair value or future cash flows of a monetary financial instrument will fluctuate because of changes in foreign exchange rates. The Scheme's financial instruments which are exposed to currency risk consist of financial assets at fair value through profit or loss. The Board of Trustees monitors the Scheme's currency position on a regular basis. The carrying amounts of the Scheme's financial assets and liabilities at the reporting date are as follows:

	2022 MUR	2021 MUR
<b>Financial assets</b>		
United States dollar (USD)	18,871,892	22,069,756
British Pound (GBP)	846,892	1,084,988
Euro (EUR)	3,309,778	4,203,145
Japanese Yen (JPY)	649,912	970,176
Mauritian rupee (MUR)	143,897,444	94,967,467
<b>Total</b>	<b>167,575,918</b>	123,295,532

Financial assets exclude prepayment of **MUR 8,370** (2021 : MUR Nil).

	2022 MUR	2021 MUR
<b>Financial liabilities</b>		
Mauritian rupee (MUR)	3,696,378	1,300,049

Financial liabilities exclude accruals of **MUR 312,425** (2021 : MUR 599,180).

Consequently, the Scheme is exposed to risks that the exchange rate relative to these currencies may change in a manner which has an effect on the reported value of that portion of the Scheme's financial assets and financial liabilities which are denominated in currencies other than the Mauritian Rupee.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 5. Financial risks (Continued)

#### Sensitivity analysis

The following table details the Scheme's sensitivity to a change of 5% of the Mauritian Rupee against the foreign currencies.

	Impact on profit or loss and equity	
	2022 MUR	2021 MUR
<b>Financial assets</b>		
United States dollar (USD)	943,595	1,103,488
British Pound (GBP)	42,345	54,249
Euro (EUR)	165,489	210,157
Japanese Yen (JPY)	32,496	48,509
<b>Total</b>	<b>1,183,925</b>	<b>1,416,403</b>

#### 5.1.2 Interest rate risk

The sensitivity analysis below has been determined based on the exposure to interest rates of securities earning variable rates of interest at the end of the reporting date. If interest rates had been 25 basis points higher/lower, the effect on the net assets available for benefits would have been as follows:

	2022 Impact on profit or loss and equity		2021 Impact on profit or loss and equity	
	+25 b.p MUR	-25 b.p MUR	-25 b.p MUR	-25 b.p MUR
Surplus/(Deficit)	50,146	(50,146)	45,917	(45,917)

#### 5.1.3 Equity price risk

The Scheme is subject to price risk due to changes in the market values of its equity securities portfolio. Equity price risk is managed in order to mitigate anticipated unfavourable market movements. In addition, local insurance regulations set out the capital required for risks associated with type of assets held, investments above a certain concentration limit, policy liabilities risks and reinsurance ceded.

#### Sensitivity

The impact on the Scheme's profit or loss and equity had the market values of financial assets at fair value through profit or loss changed by 10% with other assumptions left unchanged would have been as follows:

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 5. Financial risks (Continued)

	2022 Impact on profit or loss and equity		2021 Impact on profit or loss and equity	
	+10% MUR	-10% MUR	-10% MUR	-10% MUR
Financial assets at fair value through profit or loss (FVPI)	13,835,240	(13,835,240)	10,871,954	(10,871,954)

#### 5.2 Liquidity risk

Liquidity risk is the risk that the Scheme will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivery of cash or another financial assets.

The Scheme's liquidity position is monitored on a regular basis by monitoring forecast and actual cash flows and matching profiles of financial asset.

The table below summarises the maturity profile of the Scheme's financial liabilities based on contractual undiscounted payments:

Maturities of financial assets and liabilities:

	< 1 year MUR	1-5 years MUR	>5 years MUR	No maturity dates MUR	Total MUR
<b>At 30 June 2022</b>					
<b>Financial assets</b>					
Financial assets at FVPI	26,797,659	10,031,282	26,536,530	74,986,929	138,352,400
Accounts receivable	363,573	-	-	-	363,573
Cash and cash equivalents	28,859,945	-	-	-	28,859,945
<b>Total financial assets</b>	<b>56,021,177</b>	<b>10,031,282</b>	<b>26,536,530</b>	<b>74,986,929</b>	<b>167,575,918</b>
<b>Financial liabilities</b>					
Accounts payables	3,696,378	-	-	-	3,696,378
<b>Total financial liabilities</b>	<b>3,696,378</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,696,378</b>
<b>Net position</b>	<b>52,324,799</b>	<b>10,031,282</b>	<b>26,536,530</b>	<b>74,986,929</b>	<b>163,879,540</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 5. Financial risks (Continued)

	< 1 year	1-5 years	>5 years	No maturity dates	Total
	MUR	MUR	MUR	MUR	MUR
<b>At 30 June 2021</b>					
<b>Financial assets</b>					
Financial assets at FVPI	991,260	16,557,691	24,509,735	66,660,854	108,719,540
Accounts receivable	9,780	-	-	-	9,780
Cash and cash equivalents	14,566,212	-	-	-	14,566,212
<b>Total financial assets</b>	<b>15,567,252</b>	<b>16,557,691</b>	<b>24,509,735</b>	<b>66,660,854</b>	<b>123,295,532</b>
<b>Financial liabilities</b>					
Accounts payables	1,300,049	-	-	-	1,300,049
<b>Total financial liabilities</b>	<b>1,300,049</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,300,049</b>
<b>Net position</b>	<b>14,267,203</b>	<b>16,557,691</b>	<b>24,509,735</b>	<b>66,660,854</b>	<b>121,995,483</b>

### 5.3 Credit risk

Credit risk is the risk that a counterparty will be unable to pay an amount in full when it falls due. The Scheme's credit risk is primarily attributable to its accounts receivables and bank balances. The amounts presented in the statement of financial position are net of expected credit losses (ECI) and impairment.

	2022	2021
	MUR	MUR
<b>Financial assets</b>		
<b>Non-current</b>		
Financial assets at fair value through profit or loss	<b>138,352,400</b>	108,719,540
	<b>138,352,400</b>	108,719,540
<b>Current</b>		
Accounts receivable	<b>363,573</b>	9,780
Cash and cash equivalents	<b>28,859,945</b>	14,566,212
	<b>29,223,518</b>	14,575,992
<b>Total</b>	<b>167,575,918</b>	123,295,532

The Scheme manages the credit risks on its portfolio of assets by requesting the investment manager to diversify the portfolio to minimise the impact of default by any one issuer. The diversification is monitored on a regular basis by the Board of Trustees with consultation with the investment manager.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 5. Financial risks (Continued)

The credit risk for the bank balances and receivables is considered negligible, since the counterparties are reputable banks and financial institutions with good quality external credit ratings. None of the Scheme's financial assets are secured by collateral or other credit enhancements.

### 5.4 Categories of financial instruments

	2022	2021
	MUR	MUR
<b>Financial assets</b>		
Financial assets at fair value through profit or loss	<b>138,352,400</b>	108,719,540
Accounts receivable	<b>363,573</b>	9,780
Cash and cash equivalents	<b>28,859,945</b>	14,566,212
<b>Total financial assets</b>	<b>167,575,918</b>	123,295,532

	2022	2021
	MUR	MUR
<b>Financial liabilities</b>		
Accounts payable	<b>3,696,378</b>	1,300,049
<b>Total financial liabilities</b>	<b>3,696,378</b>	1,300,049

### 5.5 Fair value measurement of financial instruments

Financial instruments are measured at fair value in the statement of net assets available for benefits in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities.

The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: unobservable inputs for the asset or liability.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

### 5. Financial risks (Continued)

The following table shows the levels within the hierarchy of financial assets measured at fair value on a recurring basis:

	2022			
	Level 1	Level 2	Level 3	Total
	MUR	MUR	MUR	MUR
<b>Financial assets</b>				
Quoted Securities	123,930,957	-	-	123,930,957
Unquoted Securities	-	-	14,421,443	14,421,443
<b>Total</b>	<b>123,930,957</b>	<b>-</b>	<b>14,421,443</b>	<b>138,352,400</b>

The board of trustees believes that the unquoted security being valued at amortised cost approximate its fair value.

	2021			
	Level 1	Level 2	Level 3	Total
	MUR	MUR	MUR	MUR
<b>Financial assets</b>				
Quoted Securities	94,956,076	-	-	94,956,076
Unquoted Securities	-	-	13,763,464	13,763,464
<b>Total</b>	<b>94,956,076</b>	<b>-</b>	<b>13,763,464</b>	<b>108,719,540</b>

### 5.6 Fair value measurement of non-financial assets and non-financial liabilities

At the reporting date, the Scheme did not have any non-financial assets and non-financial liabilities.

### 6. Taxation

The Scheme is exempt from income tax as per the second schedule (Part 1) of the Income Tax Act 1995.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

### 7. Investments in financial assets

Financial assets at fair value through profit or loss

	2022	2021
	MUR	MUR
At 01 July	108,719,540	70,500,816
Additions	36,759,969	30,069,533
Disposal	(8,139,450)	(2,946,980)
Profit on disposal	163,960	(15,531)
Foreign Exchange gains	235,448	1,404,554
Fair value adjustments	612,933	9,707,148
<b>At 30 June</b>	<b>138,352,400</b>	<b>108,719,540</b>

The breakdown of the financial assets at fair value through profit or loss is as follows:

	2022	2021
	MUR	MUR
<b>Equities:</b>		
Local quoted	52,866,893	39,997,200
Overseas quoted	10,170,949	11,245,292
<b>Mutual funds:</b>		
Overseas quoted	11,949,088	15,418,362
<b>Debt instruments:</b>		
Local quoted	48,944,027	28,295,222
Local unquoted	14,421,443	13,763,464
<b>Total</b>	<b>138,352,400</b>	<b>108,719,540</b>

### 8. Accounts receivable

	2022	2021
	MUR	MUR
Other receivables	371,943	9,780
<b>Total</b>	<b>371,943</b>	<b>9,780</b>

(a) The carrying amount of the accounts receivable is denominated in Mauritian rupee.

(b) The carrying amounts of accounts receivable approximate their fair values.



**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2022

**9. Cash and cash equivalents**

	2022	2021
	MUR	MUR
Cash at bank	28,859,945	14,566,212
<b>Total</b>	<b>28,859,945</b>	<b>14,566,212</b>

	2022	2021
	MUR	MUR
Cash at bank:		
MUR	27,301,507	12,901,801
USD	1,170,209	1,239,375
EUR	270,912	296,103
GBP	117,317	128,933
<b>Total</b>	<b>28,859,945</b>	<b>14,566,212</b>

The closing rate of the USD was MUR 44.150, Euro was MUR 46.245 and GBP was MUR 53.520 at 30 June 2022 (2021: USD was MUR 42.500, Euro was MUR 50.545 and GBP was MUR 58.820).

**10. Accounts payable**

	2022	2021
	MUR	MUR
Accruals	312,425	599,180
Other payables	3,696,378	1,300,049
<b>Total</b>	<b>4,008,803</b>	<b>1,899,229</b>

The carrying amounts of accounts payable approximate their fair values.

**11. Personal Member Account and General Account**

The assets of the Scheme are notionally allocated to two sub-accounts: the Personal Member Account and the General Account.

**Personal Member Account (PMA)**

Each member of the Scheme has a Personal Member Account that represents the value of the Member's accrued benefits in the Scheme. The PMA is built up as follows:

- Contributions from the Member's Employer and the Member (if any),
- Transfers from other pension schemes, and
- Investment returns on the assets underlying the Member Account.

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2022

**11. Personal Member Account and General Account (Continued)****General Account**

The part of the value of the Scheme that has not been allocated to the Members' Account is allocated to the General Account. The purpose of the General Account is to be the vehicle through which the benefits and expenses of the Scheme will be paid to the Members and other Beneficiaries.

**Accumulated Schemes**

	Personal Member Account	General Account	Total
	MUR	MUR	MUR
<b>At 01 July 2021</b>	<b>111,253,821</b>	<b>10,142,482</b>	<b>121,396,303</b>
<b>Members' contributions</b>	<b>43,998,082</b>	-	<b>43,998,082</b>
<b>Deficit of income over expenses</b>	-	<b>(1,289,192)</b>	<b>(1,289,192)</b>
<b>Total return on investments</b>	<b>4,819,167</b>	-	<b>4,819,167</b>
<b>Benefits paid</b>	<b>(5,141,399)</b>	-	<b>(5,141,399)</b>
<b>Admin Fees paid</b>	<b>(207,476)</b>	-	<b>(207,476)</b>
<b>As at 30 June 2022</b>	<b>154,722,195</b>	<b>8,853,290</b>	<b>163,575,485</b>
At 01 July 2020	96,485,469	10,302,523	106,787,992
Members' contributions	38,357,637	-	38,357,637
Deficit of income over expenses	-	(160,041)	(160,041)
Total return on investments	13,000,212	-	13,000,212
Benefits paid	(36,492,843)	-	(36,492,843)
Admin Fees paid	(96,654)	-	(96,654)
As at 30 June 2021	111,253,821	10,142,482	121,396,303

The Personal Member Account represents the sum of all the individual Personal Member Accounts and represents the value of the Members' accrued benefits from the Scheme.

The General Account represents the part of the value of the Scheme that incurs expenses of the Scheme.

**Related party transactions**

There are no related party transactions during the year ended 30 June 2022 (June 2021: Nil).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 13. Going concern

The Board of Trustees has made an assessment of the Scheme's ability to continue as a going concern and is satisfied that the Scheme has the resources to continue its operations for the foreseeable future. Furthermore, the Board of Trustees is not aware of any material uncertainties that may cast significant doubt upon the Scheme's ability to continue as a going concern. Therefore, the financial statements have been prepared on a going concern basis.

### 14. Contingent Liabilities

There are no contingent liabilities as at 30 June 2022. (June 2021: Nil)

### 15. Capital commitments

There are no capital commitments as at 30 June 2022. (June 2021: Nil)

### 16. COVID Impact Assessment

The COVID-19 pandemic continues to pose a threat in Mauritius and to the business. Worldwide, the virus that causes COVID-19 is mutating and new variants present new threats and are a constant cause of worry for Mauritius. The Scheme will continue to adopt all necessary measures to mitigate the downside financial risks caused by the pandemic. The Scheme will continue to follow the various government policies and advice whilst continuing to operate in the best and safest way possible. If the overall economy is impacted for an extended period, the Scheme's business and operations may be adversely affected.

### 17. Event after the reporting period

There are no significant events after the reporting period which may have a material effect on the financial statements for the year ended 30 June 2022.

