



super fund
caring for your retirement

2017

Annual Report



Our Vision:

To create a community of happy pensioners celebrating life.

Our Mission:

We help our members prepare early for a rewarding retirement by providing sustainable, long-term benefits in a cost-effective manner.

Our Values:

Transparency:

we communicate clearly and openly about the scheme we administer.

Flexibility:

we allow for and respond to our members' various needs without becoming unduly complex.

Innovation:

we keep imagining the future and help prepare for it now.

Dedication:

we are result-oriented and we go the extra mile to meet our goals.

Reliability:

we are committed to being responsible stewards of the funds entrusted to us.

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Chairperson's Message

Dear Member,

I am pleased to present to you the Super Fund's Annual Report and the audited financial statements for the year ending 31 Dec 2017.

While last year has been one of constant change and uncertainty on the world stage, things have also changed here at Super Fund. A new Management Committee was constituted, and I was privileged to be appointed Chairperson by committee members to lead the pension fund as from May 2017.

Despite socio-economic and geo political challenges both locally and on the global arena, the fund continues to perform satisfactorily, posting an annual return of 10% for the year 2017 compared to 2.3% in the previous year. As at 31 December 2017, the net asset value of the Fund stood at Rs782m, representing a cumulative total return of 566.9% translating in an annualised return since inception of 11.5%.

As Super Fund remains committed to the values of good corporate governance and to the principles and best practices set out in the Code of Corporate Governance, an Audit, Risk and Corporate Governance sub-committee was set up. The Audit, Risk and Corporate Governance Committee ensures that all our operations are conducted with integrity, discipline and transparency and shall make recommendations to the Managing Committee on all corporate governance provisions to be adopted so that the Managing Committee remains effective in ensuring that the Fund complies with prevailing corporate governance principles and practices. This sub-committee also ensures the appropriateness of the Fund's accounting policies and assesses the effectiveness of the internal control system and processes.

A set of amendments to the current rules of Super Fund were proposed and adopted by the Managing Committee in December 17. The new set of rules have now been submitted to the FSC for approval before putting same into operation. Among others, the governing structure of Super Fund has been reviewed and allowance have been made for special contributions from employers in respect of some or all their employees. This will allow contributions for past years of service which was previously not possible.

With the start of a new year, we, committee members of Super Fund look back and analyse the experiences of 2017 and reflect on the challenges to overcome in 2018, as well as the opportunities that the new year presents.

It is expected that the year ahead will be a year of improved global growth and gradually decreasing volatility, albeit with some rather unexpected political developments. However, with the combined efforts of our committee members, the commitment of our partners and with a more active investment strategy, we will continue to strive to create value for our members.

A triennial valuation of the Fund is being carried out by our actuarial advisor to assess the overall funding level and the sustainability of the fund. The investment policy statement shall also be reviewed this year in light of the economic and business conditions affecting the fund.

With new members joining into the fund and continued strong performance, the fund under management will definitely reach MUR 1 billion in 2018. Considering the size of the fund and to be in line with best practice, the Committee has taken several measures to enhance the

protection of the interests of the beneficiaries; i.e the members of the fund. The Committee therefore took the decision of having two fund managers instead of only one with the objective of enhancing the returns and managing its risks. After a Request for Proposal followed by a thorough analysis, the committee appointed a second fund manager in 2018. The fund shall now be co-managed by Afrasia Capital Management Ltd and Swan Wealth Managers Ltd.

On a final note, I would like to express my deepest gratitude and recognition to all our committee members and our partners namely Business Mauritius, Swan Pensions Ltd, AON Hewitt Ltd, LCF Securities Ltd, Afrasia Capital Management

and other service providers for their hard work, dedication, passion and commitment to Super Fund. Most importantly, I would also like to thank YOU members for your continued support and trust over the years. As Chairperson of the fund, I assure you of the Committee's dedication to continue to safeguard your interests.

I have no doubt that 2018 will be an even better year for us as we look forward with confidence.



Shashi Ramdany



AGM Highlights

The 18th Annual General Meeting of Super Fund was held on Friday 23 June 2017 at 15 00 at the BM-MCCI Building, Rue du Savoir, Ebène CyberCity, Ebène. whereby all issues related to Super Fund and its future were discussed alongside the Audited Financial Statement. The election of the Super Fund Management Committee Members for the year 2017 was also held.



From Right to Left: Pradeep Dursun, Daniel Chan Chong, Gerald Furlong, Dominique Bechard

The following members constituted the new Management Committee:

Employer Representatives:

- I. Mr Twalha Dhunnoo –Gamma Civic Ltd
- II. Mr Feroze Acharauz –Panache & Co Ltd
- III. Ms Jenny Kevan –Orange Business Services Mauritius Ltd
- IV. Mr. Franco Tuyau – DPD Laser Ltd

Employee Representatives:

- I. Mr. Bharuth Kumar (Shashi) Ramdany – Reinsurance Solutions Ltd
- II. Mr. Daniel Chan Chong – FGY Services Ltd
- III. Mr Madhou Chandrassen –Cogir Ltee

Business Mauritius nominee:

- I. Mr Nilesh Gammoo-Business Mauritius

Highlights of the Chairperson’s Report

“We often talk about plans that recruit, reward and retain employees, but you should also consider the importance of helping an employee retire.”

Appointment of an Investment Advisor

An investment advisor has been appointed by the Management Committee in September 2016. The investment Advisor will be part of the investment committee and with his expertise, will provide the committee with an approach that can better guide Super Fund to reach his long-term investment objectives. The Investment Advisor shall also monitor existing investment portfolio and advise and recommend the investment committee on potential investment in line with the Investment Policy of the Fund.

“The Fund continues to grow strong”

Request for Proposal of Fund Management Services

A request for proposal for the provision of fund management service was sent to some leading fund management companies in Mauritius in September 2016. The objective of this exercise was to discover other current investment opportunities and to select a Fund Manager to entrust, either exclusively or with other fund managers, with the asset management of Super Fund.

Management Committee Members

Bharuth Kumar Ramdany
 REINSURANCE SOLUTIONS LTD

Chairperson

Daniel Chan Chong
 FGY SERVICES LTD

Vice Chairperson

Nilesh Gammoo
 BUSINESS MAURITIUS

Secretary

Twalha Dhunnoo
 GAMMA CIVIC LTD

Treasurer

Franco Tuyau
 DPD LASER LTD

Member

Feroze Acharauz
 PANACHE CO LTD

Member

Jenny Kevan
 ORANGE BUSINESS SERVICES LTD

Member

Madhou Chandrassen
 COGIR LTEE

Member



Overview of Activities during the Year 2017

Setting up of an Audit, Risk and Governance Committee

In order to assist the Management Committee fulfil its corporate governance and overseeing responsibilities in relation to Super Fund's financial reporting, internal control system, risk management system and internal and external audit functions, an Audit, Risk and Governance Sub Committee has been constituted.

The Sub Committee will report to the Management Committee and provide appropriate advice and recommendations on matters relating to financial and accounting reporting practices, the independence of the external auditors, internal controls, risk management, corporate governance principles, best practice and legal compliance in order to facilitate decision making by the Management Committee.

Setting up of a Marketing Committee

Marketing is a topic of growing interest to Super Fund as the organisation confront new, complex marketplace challenges. In order to market Super Fund in a number of ways, a Marketing Sub Committee has been put in place.

- The Marketing Committee sets the vision for and manages the overall marketing strategy of Super Fund
- Work with the Secretariat (Business Mauritius) to define the short-term and long-term marketing needs.
- Contribute to and review the marketing plan to ensure progress toward annual and long-range goals.
- Provide annual marketing budget recommendations.
- Set priorities for marketing efforts; evaluate plans and strategies; and present outcomes to Management Committee, as appropriate.
- Work with Business Mauritius and other partners to coordinate efforts around Super Fund brand, public relations, website, social media communications, newsletters, annual report, and other marketing projects.
- Engage in networking activities.

Amendment of Super Fund Rules

In order to better adapt to the changes in the marketplace and the business environment of the industry, a set of amendments to the Super Fund rules were proposed and adopted by the Management Committee. In compliance with the law, a copy of the amendments has also been sent to the regulatory body, the Financial Services Commission for their approval before the rules are put into operation.

Main Highlights of the amendments are:

- a)** The representatives on the Management Committee shall now hold office for four (4) financial years starting from their election/ appointment on the Management Committee
- b)** The Management Committee shall now consists of:
 - Three (3) representatives elected from among and by the Participating Employers
 - Three (3) representatives elected from among and by the Members
 - Three (3) representatives of Business Mauritius
- c)** A Participating Employer may, subject to the consent of the Management Committee, make special contributions in respect of some or all of the Members. (To provide greater flexibility and to cater for past years of service)
- d)** A Pensioner dies in the case of a Pension payable to a Spouse or other Beneficiary, (To allow for other member nominated beneficiary's pension)
- e)** A Spouse or other Beneficiary dies in the case of a Spouse or other Beneficiary pension. (To allow for other member nominated dependant's pension)

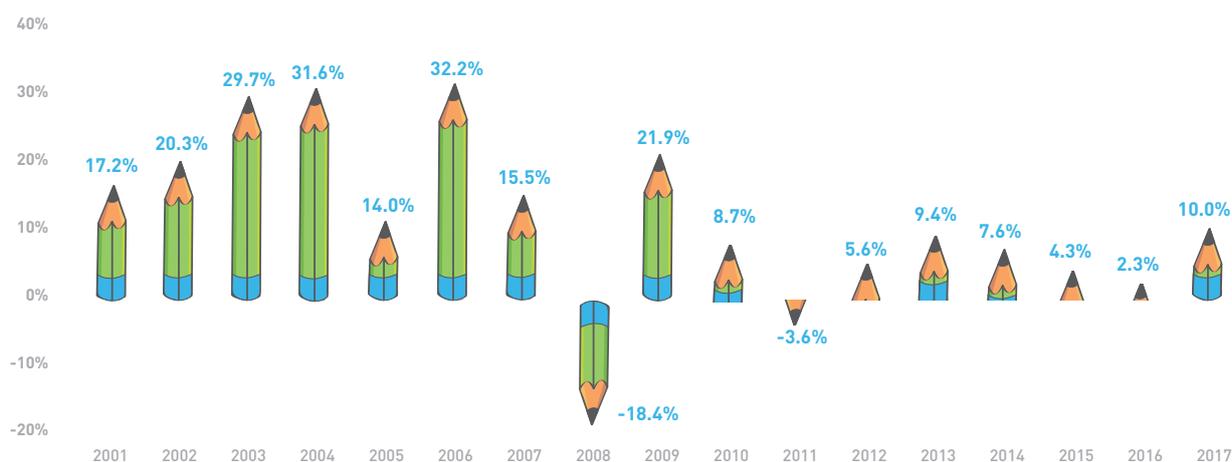
Fund Manager's Review

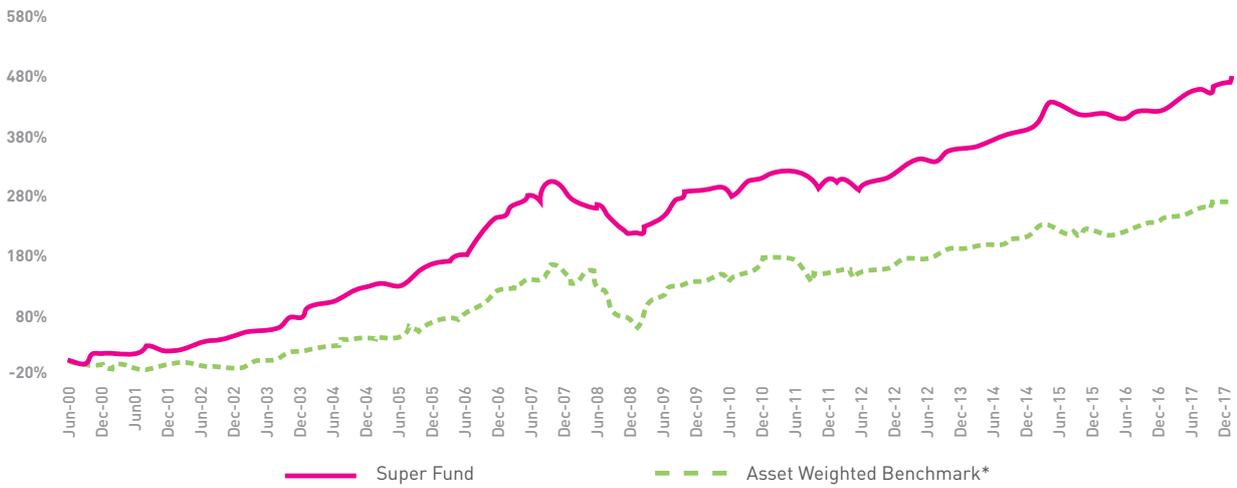
Optimism ran high over the year 2017 mainly on the back of both strong economic and corporate fundamentals. Bouts of volatility however also persisted, mainly on the political front, with first enthusiasm in the US about Trump's pro-business agenda and then scepticism about the ability to push forward with reforms, as well as elections in many parts of Europe, the main ones being in Germany and France. In line with market conditions, the Fund posted returns of 10.0% for the year 2017. As at 31 December 2017, the net asset value of the Fund was Rs 782m, representing a cumulative total return of 566.9% since its inception.

PERFORMANCE (%)	1 Year	3 Years	5 Years	Since Inception	Annualized Inception
SUPERFUND	10.0%	17.4%	38.3%	566.9%	11.5%

PERFORMANCE (%)	Aggressive Sub-Fund	Moderate Sub-Fund	Conservative Sub-Fund	Defensive Sub-Fund
1 Year	13.0%	10.0%	7.3%	5.7%

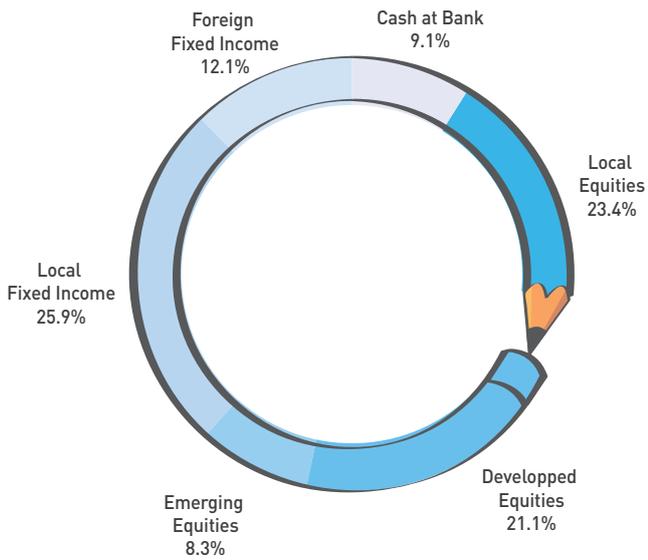
Yearly Performance



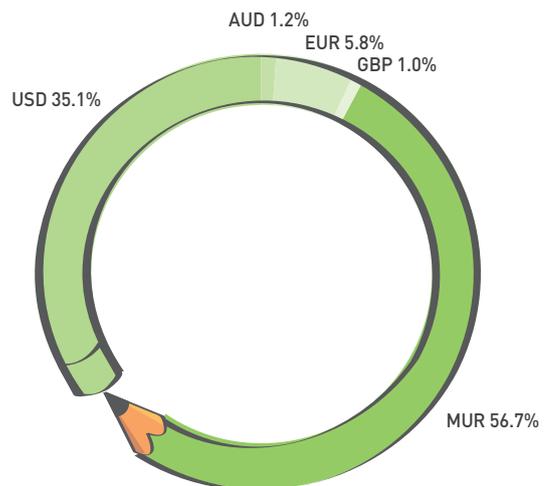


*Benchmark used to assess the performance of Super Fund is an asset weighted benchmark comprising of Semtri, MSCI Dev, MSCI EM, Savings+2% and Barclays Global Aggregate Index

Asset Mix



Currency Allocation



Market Review

On the global front, equity markets started the year with an upsurge in major economies.

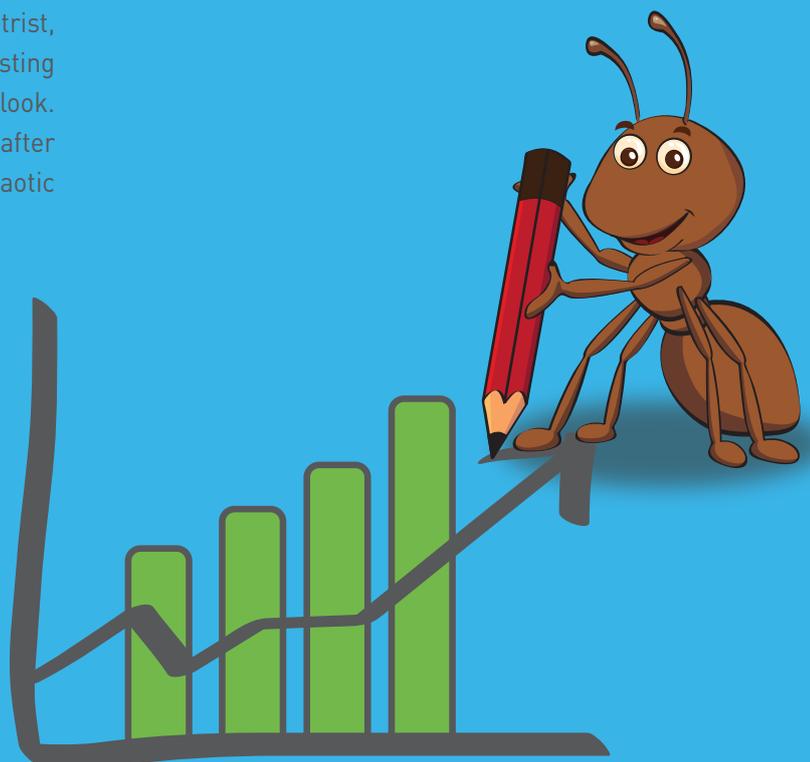
US equities benefitted from a strong rally after Trump's election but then pulled back as scepticism began on Trump's ability to push through his reforms after failing to replace the American Health Care Act. President Trump came under the spotlight for firing former FBI director James Comey, abruptly ending a leading criminal investigation into whether Trump's advisers colluded with the Russian government to steer the outcome of the 2016 presidential election. The US Federal Reserve (Fed) raised the US interest rates by 0.25% thrice over the year. Despite the rate hikes, the dollar experienced a persistent downward pressure making it the worst performing G-10 currencies for the year.

Europe's politics was one of the main highlights of the year. Germany welcomed back Angela Merkel for a fourth term as Chancellor but she faced difficulties to form a coalition so as to obtain a majority. France voted for newcomer, pro-Europe centrist, Emmanuel Macron as new President, boosting investors' optimism about the European outlook. In the UK, tensions and uncertainty remained after Article 50 was triggered. Spain underwent a chaotic month when Catalonia held an unofficial independent election- threatening its economy since the region accounted for more than one-fifth of the Spanish GDP. In parallel, European Central Bank (ECB) announced that it would extend its Quantitative Easing Programme to September 2018 but the amount would be halved.

Emerging markets benefitted from broad US dollar weakness over the year with a growing momentum in the Chinese economy and a rise in commodity prices.

India's equity market rose as investors' sentiment was positive following the implementation of the 'Goods & Services Tax'. Prime Minister Shinzo Abe won the Japanese general elections bringing political stability and comfort that very few changes concerning fiscal policies could be implemented in the near future.

On the local front, Mauritius saw the appointment of a new Prime Minister – Mr Pravind Jugnauth replacing Sir Anerood Jugnauth (SAJ). The local market was marked by the cut of 50 basis points of the Key Repo Rate to reach 3.50% per annum. This was voted based on the inflation outlook and risks related to slow growth faced by the country. SEMDEX ended the year at 2,202.14 points recording gains of 21.77% for the year while the SEM-10 closed at 421.82 points with a return of 22.26% over 2017. The President of the Republic of Mauritius, Ameenah Gurib-Fakim, announced the appointment of Mr Yandraduth Googoolye as the new Governor of the Bank of Mauritius for the next 3 years.

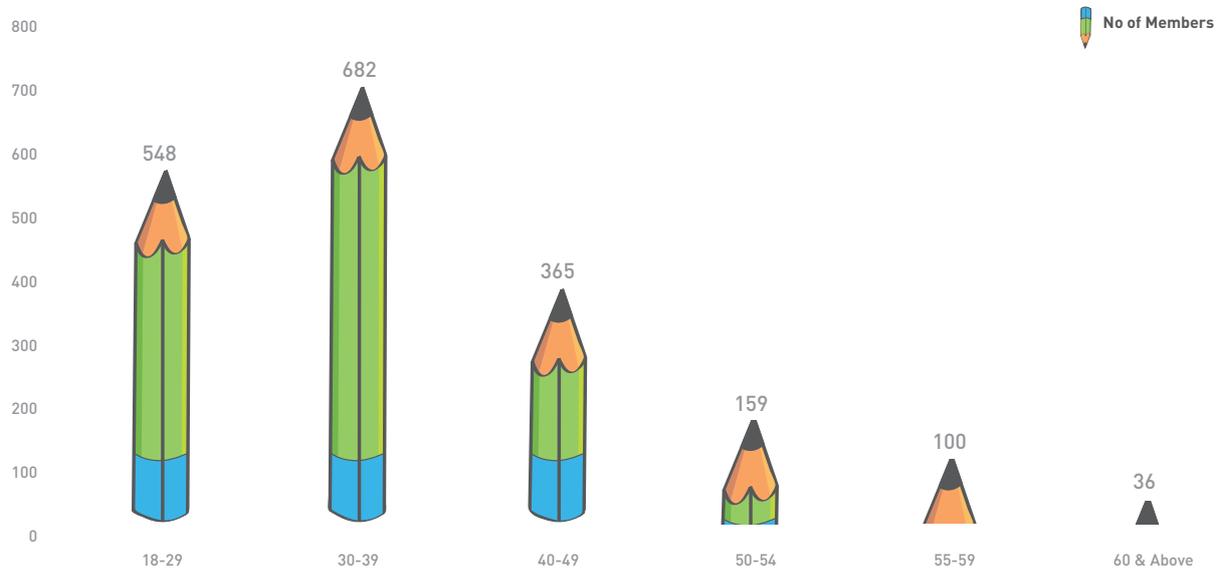


Membership and Analysis

Membership Trend



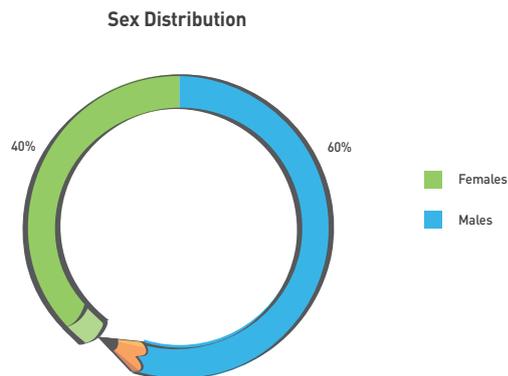
Age Distribution



Membership by Age Group

Age group	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
18 - 29	146	278	370	371	400	401	486	489	543	503	548
30 - 39	183	273	333	390	427	469	564	587	667	677	682
40 - 49	142	204	248	259	269	281	293	327	384	376	365
50 & above	86	112	123	136	159	172	195	223	265	273	295
Total	557	867	1074	1156	1255	1323	1538	1626	1859	1829	1890

Analysis by Sex (Active Members)



Membership Data

No. of Schemes :	84
Cancellations :	33
New	82
Active Members	1890
Deferred Pensioners :	849
Pensioners :	84
Total Monthly Salary (Rs) :	68,804,775.00
Average Monthly Salary (Rs) :	36,405.00

Remarks by the Actuary

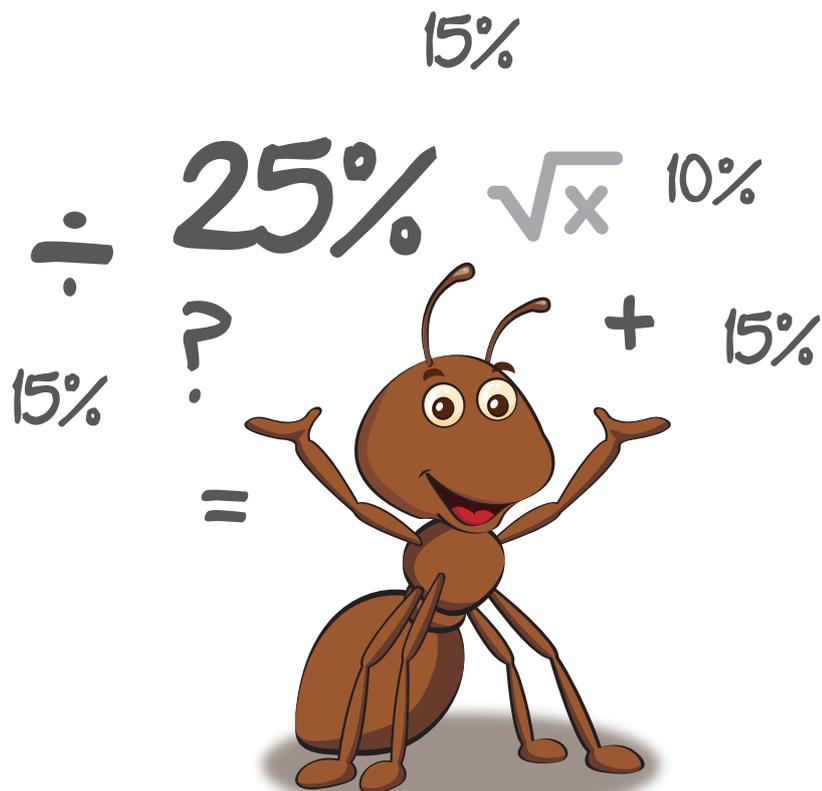
The formal actuarial valuation of the Fund as at 31 December 2017 is currently being carried out and the results should be available soon. We will look at various aspects of the Fund, for example:

- How the value of assets compare to the value of liabilities.
- Monitor the level of reserves and determine the rate at which Employers should contribute towards expenses
- Review the Annuity Fund used to pay pensions and recommend any discretionary pension increase as at 1 January 2018
- Review the investments of the Fund

We recently carried out a review of the annuity rates for the Fund to align these with current market conditions and future expectations so that the pensions that become payable are not likely to cause a financial strain on the Fund in future. A sensitivity analysis on this aspect will also be carried out as part of the actuarial valuation.

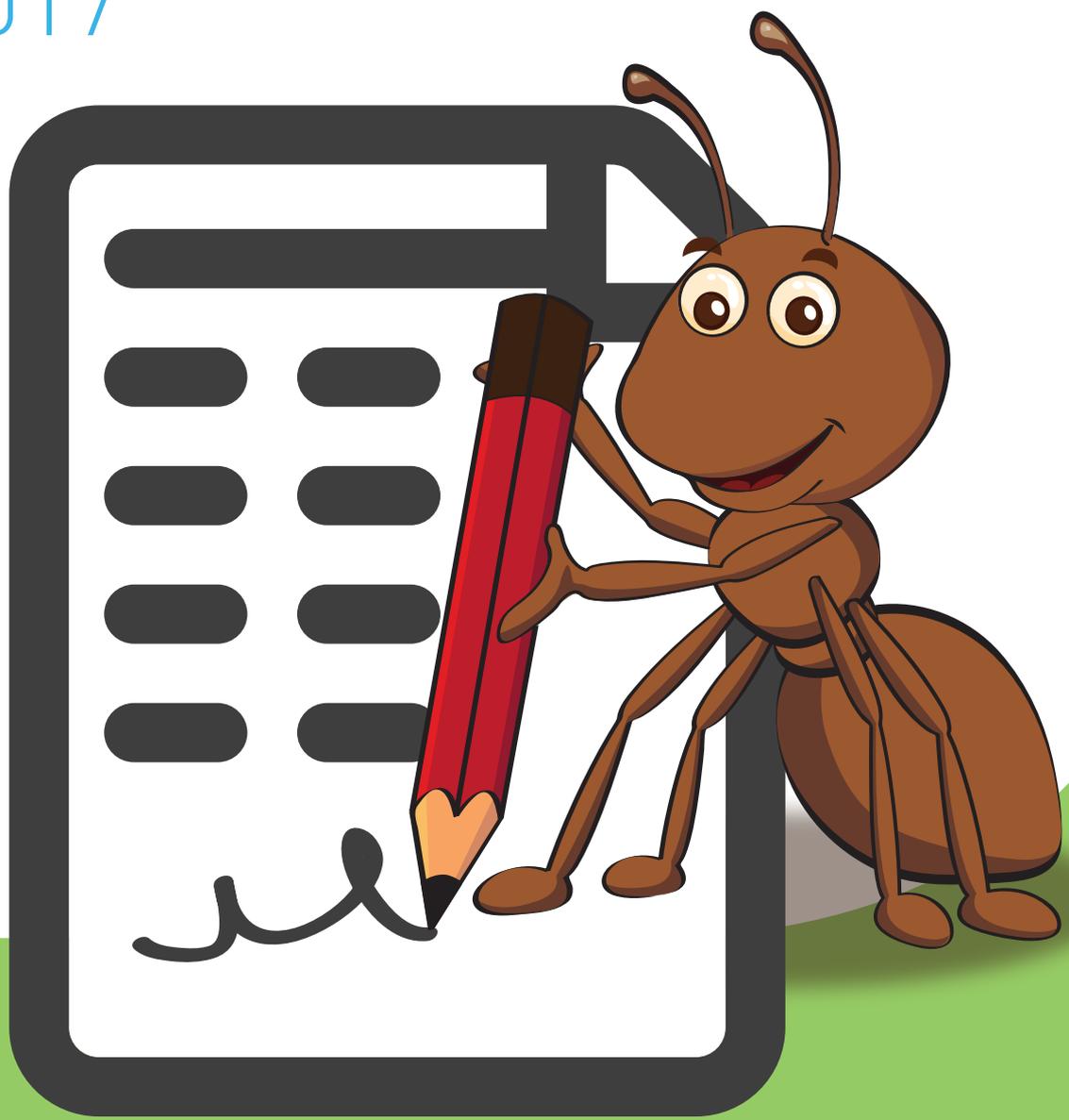
Mr Bernard Yen FIA

Managing Director,
AON HEWITT LTD



Financial Statements

Year Ended 31 December 2017



REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED DECEMBER 31, 2017

The management committee has pleasure in submitting its report together with the audited financial statements for the year ended December 31, 2017.

1. DESCRIPTION OF THE FUND

1.1 Registration

The inception date of the Fund is January 1, 1999 and the registration date was July 15, 1999. It was registered under the Employees Superannuation Fund Act 1954 on 1 January 1999. A new Pension Scheme Licence was issued on 3 August 2013 by the Financial Services Commission pursuant to section 9 of the Private Pension Scheme Act 2012 on the Financial Services (Consolidated Licensing and Fees) Rules 2008 with effect from 1 November 2012 in replacement of the Employers Superannuation Fund Act 1954.

1.2 Object

The object of the Fund is to provide retirement, withdrawal, death and disablement benefits for the Beneficiaries as described in the Rules and Regulations of the fund and according to their contracts of employment.

Both employees and employers contribute to the Fund as follows:

Employees:	0 - 20% of pensionable emoluments
Employers:	3 - 20% of pensionable emoluments

The employers also contribute an additional percentage of pensionable emoluments to the Employer Reserve Account.

1.3 Type of scheme

The Fund is a defined contribution scheme, meaning that amounts to be paid as benefits are determined by contributions to the Fund together with investment earnings thereon less management fees and other charges.

The scheme also provides for death and disability benefits which are insured with various insurance companies.

1.4 Membership

	December 31, 2017	December 31, 2016
Deferred pensioners	849	753
Number of pensioners	84	69
Number of pensionable active staff covered by the Fund	1,890	1,829

1.5 Benefits payable under the scheme

The main benefits under the scheme, as specified in paragraphs 4 and 5 of the Rules and Regulations, are:

- (a) A pension for life for members only or a joint pension on a member's life and that of his Spouse, Child or Dependant on the Normal Retirement Date.
- (b) An early age retirement or early ill health retirement.
- (c) A gratuity on death of a Member in service before Normal Retirement Date.
- (d) A benefit on the Total and Permanent Disablement of a Member whilst in the Service of the Company before attainment of his Normal Retirement Date.

2. MANAGEMENT COMMITTEE

The Management Committee is made up as follows:

Mr. Bharuth Kumar (Shashi) Ramdany	- Chairperson (appointed 23 June 2017)
Mr. Daniel Chan Chong	- Vice Chairperson (appointed 23 June 2017)
Mr. Nilesh Gammoo	- Secretary (appointed 26 June 2015)
Mr. Twalha Dhunnoo	- Treasurer (appointed 23 June 2017)
Mr. Feroz Acharauz	- Member (appointed 23 June 2017)
Mr. Franco Tuyau	- Member (appointed 23 June 2017)
Mrs. Jenny Kevan	- Member (appointed 23 June 2017)
Mr. Chandrassen Madhou	- Member (appointed 23 June 2017)

3. INVESTMENT POLICY

The Management Committee determines the investment policy to be adopted by the Fund. The investment portfolio is actively managed by Afrasia Capital Management Ltd.

4. INVESTMENT REPORT

The Fund's net assets at December 31, were as follows:

	2017	2016
	Rs.	Rs.
Cash at bank, including dealing accounts	89,672,485	107,267,666
Investment at fair value	711,129,920	585,778,009
Other assets less liabilities	17,384,495	12,507,340
	818,186,900	705,553,015
Less employer reserve account	(16,448,049)	(14,724,760)
Less annuity fund	(39,824,649)	(33,392,174)
	761,914,202	657,436,081

The annual returns on investment for the year under review is as follows:

	2017	2016
Annual Return	10.00%	2.30%
Annualised Return since inception	11.50%	11.50%

As from April 2014, the investment portfolio has been split into 4 sub-funds to give members an investment choice. Below is the returns on each sub funds.

	Aggressive	Moderate	Conservative	Defensive
2017	13.00%	10.00%	7.30%	5.70%
2016	3.20%	2.00%	1.50%	3.30%

5. AUDITOR

The auditor, Baker Tilly (Mauritius) has indicated its willingness to continue in office.

6. ADMINISTRATORS

Swan Pensions Ltd are the administrators of the Fund.

7. ACTUARY

Aon Hewitt Ltd is the actuary to the Fund.

8. TERMINATION

The Fund may be wound up by a resolution of a majority of at least three quarters of the total number of the participants of the Fund present or represented at an Extraordinary Meeting called for the purpose.

9. ANNUITY FUND

As from April 2013 the management committee has changed its rule concerning Annuity Fund. Annuity payments are being paid out of Super Fund, instead bought out with insurance companies as from October 2013. This will allow a more dynamic and consistent pension payout, with discretionary increases instead of a flat-rate pension.

For and on behalf of the Management committee.



.....
 Chairman



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUPER FUND

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of SUPER FUND (the "Fund") on pages 8 to 28, which comprise the statement of net assets available for benefits as at 31 December 2017, and the statement of changes in net assets available for benefits, employer reserve account, annuity fund and statement of cash flows for the year then ended and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements on pages 8 to 28:

- (i) have been prepared in accordance with and comply with International Financial Reporting Standards ("IFRS");
- (ii) give a true and fair view of the matters to which they relate;
- (iii) present fairly the financial position of the Fund at 31 December 2017 and its financial performance and cash flows for the year ended on that date; and
- (iv) comply with the Private Pension Schemes 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the 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.

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

The Management Committee is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and comply with the Private Pension Schemes Act 2012, and for such internal control as the Management Committee determines are 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 Management Committee is responsible for assessing the 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 the Management Committee either intends to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's 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 auditor's 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.

This opinion has been prepared for and only for the Fund's members, as a body, in accordance with Section 37(2) of the Private Pension Schemes Act 2012 and for no other purposes.

As part of an audit in accordance with ISAs, we exercise professional judgment 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Committee.
- Conclude on the appropriateness of the Management Committee'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 Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Fund to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We 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 we identify during our audit.

Other information

The Management Committee is responsible for the other information. The other information comprises the Management Committee’s report.

Our opinion on the financial statements does not cover the other information and we do not express 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.

Report on Other Legal and Regulatory Requirements

We have no relationship with or interest in the Fund other than in our capacity as auditor.

We have obtained all the information and explanations we have required.

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

Baker Tilly (Mauritius)



Vivek Gujadhur
Licensed by FRC

Baker Tilly (Mauritius)



Sin C. Li, CPA
Licensed by FRC

Date: 25 June 2018

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS - DECEMBER 31, 2017

	<u>Notes</u>	<u>2017</u> Rs.	<u>2016</u> Rs.
ASSETS			
Non-current assets			
Investments in financial assets	5	708,064,816	585,778,009
Current assets			
Investments in financial assets	5	3,065,103	-
Accounts receivable	7	21,947,213	15,474,592
Bank balance		18,353,396	12,974,472
Dealings account	6	71,319,089	94,293,194
Total current assets		114,684,801	122,742,258
		822,749,617	708,520,267
LIABILITIES			
Current liabilities			
Accounts payable	8	4,562,718	2,967,252
TOTAL ASSETS LESS TOTAL LIABILITIES		818,186,899	705,553,015
Employer reserve account	9	(16,448,049)	(14,724,760)
Annuity fund		(39,824,649)	(33,392,174)
NET ASSETS AVAILABLE FOR BENEFITS		761,914,201	657,436,081

Approved by the Management Committee and authorised for issue on 25 June 2018.



CHAIRMAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS - YEAR ENDED DECEMBER 31, 2017

	Notes	2017 Rs.	2016 Rs.
Contributions and benefits			
Contributions	10	<u>93,707,936</u>	<u>86,565,418</u>
Benefits payable	11	<u>(2,697,929)</u>	(3,450,985)
Payments to and on account of leavers	12	<u>(54,409,224)</u>	<u>(16,894,473)</u>
		<u>(57,107,153)</u>	<u>(20,345,458)</u>
Net additions from dealings with members		<u>36,600,783</u>	<u>66,219,960</u>
Returns on investments			
Investment income	13	21,893,131	14,643,682
Increase/(decrease) in fair value of investments	5(a)	44,475,697	(80,520)
Interest accrued	5(a)	605,695	1,368,700
Gain/(loss) on disposal of investments		4,274,275	(254,008)
Investment management expenses	14	(2,114,764)	(1,763,201)
Loss on exchange difference		<u>(1,256,696)</u>	<u>(180,018)</u>
Net returns on investments		<u>67,877,338</u>	<u>13,734,635</u>
Net increase for the year		<u>104,478,121</u>	<u>79,954,595</u>
Net assets available for benefits			
At January 1,		657,436,081	577,481,486
Net increase		<u>104,478,121</u>	<u>79,954,595</u>
At December 31,		<u>761,914,202</u>	<u>657,436,081</u>

EMPLOYER RESERVE ACCOUNT - YEAR ENDED DECEMBER 31, 2017

	<u>Note</u>	<u>2017</u> Rs.	<u>2016</u> Rs.
Contributions		11,652,397	11,368,407
Interest received		40,199	85,610
Disability claims refund		226,559	365,548
Death refund		1,887,604	520,000
Transfer from statement of changes in net assets available for benefits		57,107,153	20,345,458
		<u>70,913,912</u>	<u>32,685,023</u>
Withdrawal benefits		45,091,510	5,478,041
Disability claims		245,632	352,953
Death claim		2,016,131	520,000
Lump sums		2,697,929	3,458,850
Transfer to annuity fund		7,406,965	9,443,304
Administration fees		4,196,235	4,000,495
Actuarial fees		338,100	276,000
Assurance costs		5,797,136	5,511,063
Audit fees		102,350	102,350
Other expenses		1,298,635	882,445
		<u>69,190,623</u>	<u>30,025,501</u>
Surplus for the year	9	<u>1,723,289</u>	<u>2,659,522</u>

ANNUITY FUND - YEAR ENDED DECEMBER 31, 2017

	<u>Note</u>	<u>2017</u> Rs.	<u>2016</u> Rs.
At January 1,		33,392,174	25,575,172
Transfer from employer reserve account		7,406,965	9,443,304
Interest income		865,051	613,011
Dividend income		462,964	413,953
Increase/(decrease) in fair value of investments	5(a)	657,770	(192,933)
Gain/(loss) on disposal of investments		150,596	(10,505)
(Loss)/gain on exchange difference		(95,669)	42,871
		<u>9,447,677</u>	<u>10,309,701</u>
Pensions paid		(2,882,413)	(2,393,036)
Bank charges		(8,780)	(9,263)
Management fees		(70,589)	(55,414)
Custody fees		(53,420)	(34,986)
		<u>(3,015,202)</u>	<u>(2,492,699)</u>
Surplus		<u>6,432,475</u>	<u>7,817,002</u>
At December 31,		<u>39,824,649</u>	<u>33,392,174</u>

STATEMENT OF CASH FLOWS - YEAR ENDED DECEMBER 31, 2017

	2017 Rs.	2016 Rs.
Cash flows from operating activities		
Contributions received	98,887,714	100,199,455
Disability refund	235,605	343,658
Interest received	40,199	85,610
Death claim refund	1,887,604	584,696
Pensions and retirement gratuities paid	(5,630,059)	(7,958,804)
Administrative expenses	(3,716,982)	(4,061,584)
Insurance premium paid	(5,120,023)	(5,557,576)
Withdrawal benefits paid	(44,836,007)	(6,983,187)
Disability payment	(245,632)	(352,953)
Other expenses paid	(1,977,132)	(1,160,985)
Death gratuities	(1,573,871)	(520,000)
Net cash flows from operating activities	37,951,416	74,618,330
Cash flows from investing activities		
Income from quoted securities	9,133,370	6,872,789
Interests received	14,087,776	8,797,857
Proceeds from disposal of securities	115,394,939	93,692,513
Purchase of investments	(188,789,471)	(168,520,848)
Management and other charges	(2,227,500)	(1,578,194)
Net cash used in from investing activities	(52,400,887)	(60,735,883)
Loss on exchange	(1,352,365)	(137,147)
(Decrease)/increase in cash and cash equivalents	(15,801,836)	13,745,300
Movement in cash and cash equivalents		
At January 1,	107,267,666	93,522,366
(Decrease)/increase	(15,801,836)	13,745,300
At December 31,	91,465,830	107,267,666
Represented by:		
Bank balance	18,353,396	12,974,472
Dealings account	71,319,089	94,293,194
	89,672,485	107,267,666

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2017

1. GENERAL INFORMATION

Super Fund (the "Fund") was registered under the Employees Superannuation Act 1954 on July 15, 1999. In August 2013, the Fund has been issued with a Pension Scheme Licence pursuant to Section 9 of the Private Pension Schemes Act 2012 and the Financial Services (Consolidated Licensing and Fees) Rules 2008 with effect from November 1, 2012 in replacement to the Employees Superannuation Act 1954. Membership is opened to employees of companies who are members of the Mauritius Employers (MEF). The Fund is a defined contribution plan.

The financial statements of Superfund for the year ended December 31, 2017 were authorised for issue in accordance with a resolution of Management Committee as dated on page 19.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

2.1 Basis of preparation

The financial statements are prepared under the historical cost convention, except that investments in financial assets are stated at fair value. The financial statements are presented in Mauritian Rupee ('Rs.')

and all values are rounded to the nearest rupee unless where otherwise stated. The Members consider this basis suitable to meet the financial provisions of the Private Pension Schemes Act 2012.

Statement of compliance

The Financial Statements of the Fund have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB).

Amendments to published Standards and Interpretations effective in the reporting period

There are no standards, amendments to existing standards or interpretations that are effective for annual periods beginning on 01 January 2017 that have a material effect on the Fund's financial statements.

Standards, Amendments to published Standards and Interpretations issued but not yet effective

At the reporting date of these financial statements, the following were in issue but not yet effective (cont'd):

Effective for the financial year commencing 1 January 2018

- **IFRS 9 Financial Instruments**

The impact of this standard on the Fund is currently being assessed, which will include changes in the measurement bases of the Fund's financial assets to amortised cost, fair value through other comprehensive income or fair value through profit or loss. Even though these measurement categories are similar to IAS 39, the criteria for classification into these categories are significantly different. In addition, the IFRS 9 impairment model has been changed from an "incurred loss" model from IAS 39 to an "expected credit loss" model, which is expected to increase the provision for bad debts recognised in the Superfund.

- **IFRIC 22 Foreign Currency Transactions and Advance Considerations**

This has resulted in diversity in practice regarding the exchange rate used to translate the related item. IFRIC 22 clarifies that the transaction date is the date on which the Fund initially recognises the prepayment or deferred income arising from the advance consideration. For transactions involving multiple payments or receipts, each payment or receipt gives rise to a separate transaction date.

Effective for the financial year commencing 1 January 2019

- **Prepayment Features with Negative Compensation (Amendments to IFRS 9)**

The amendments clarify that financial assets containing prepayment features with negative compensation can now be measured at amortised cost or at fair value through other comprehensive income (FVOCI) if they meet the other relevant requirements of IFRS 9.

2.2 Financial assets**(a) Categories of financial assets**

The Fund classifies its financial assets in the following categories: available-for-sale financial assets and held-to-maturity investments and loans and receivables.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

(i) Available-for-sale financial assets

Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within twelve months of the reporting period.

(b) Recognition and measurement

Purchases and sales of financial assets are recognised on trade-date, the date on which the Fund commits to purchase or sell the asset. Investments are initially measured at fair value plus transaction costs for all financial assets except those that are carried at fair value through profit or loss.

Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at their fair values.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost.

Realised and unrealised gains and losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are recognised in the period in which they arise.

Unrealised gains and losses arising from changes in the fair value of financial assets classified as available-for-sale are recognised in statement of changes in net assets available for benefits.

When financial assets classified as available-for-sale are sold or impaired, the fair value adjustments is calculated between the disposal proceeds and the carrying value.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Fund establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flows analysis, and option pricing models refined to reflect the issuer's specific circumstances.

(i) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Fund's management has the positive intention and ability to hold to maturity.

(ii) Loans and receivable

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

(c) Impairment of financial assets

(i) Financial assets classified as available-for-sale

The Fund assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in profit or loss.

If the fair value of a previously impaired debt security classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed and the reversal recognised in profit or loss.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available-for-sale are not reversed through profit or loss.

(ii) Financial assets carried at amortised cost

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and, the amount of the loss is recognised in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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 (such as an improvement in the debtor's credit rating), 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 recognised.

2.3 Recognition of income

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable in the ordinary course of the Fund's activities. The following specific recognition criteria must also be met before revenue is recognised:

Contribution income

Contributions are recognised when due.

Dividend income

Dividends are recognised when the Fund's right to receive payment is established.

Interest income

Interest income is recognised on a time-proportionate basis using the effective interest method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset. Interest income includes income from cash and cash equivalents and Bonds.

2.4 Other payables

Other payables are measured at amortised cost using the effective interest method.

2.5 Benefits payable

Benefits payable are stated at their nominal value which approximate their amortised cost. The nominal value of benefits payable is assumed to approximate their fair values.

2.6 Cash and cash equivalents

Cash and cash equivalents include cash at bank. Cash and cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. These are measured at fair value.

2.7 Accounts receivables

Accounts receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of accounts receivables is established where there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms of receivables.

2.8 Foreign currencies

(i) Functional and presentation currency

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

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates 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 statement of changes in net assets available for benefits.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss.

2.9 Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Fund's activities expose it to a variety of financial risks: market risk (including currency and price risk), credit risk and liquidity risk. The Fund's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Fund's financial performance.

A description of the significant risk factors is given below together with the risk management policies applicable.

(a) Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as foreign exchange rates, interest rates and equity prices.

(i) Currency risk

The Fund operates internationally and is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the Australian Dollar, US Dollar, Great Britain Pound and Euro.

The Fund invests in global markets and holds both monetary and non-monetary assets denominated in foreign exchange currencies other than the functional currency. Foreign exchange risk, as defined in IFRS 7, arises as the value of future transactions recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be component of market price risk not foreign currency risk.

Foreign currency sensitivity analysis

The following table details the Fund's sensitivity to a 5% increase and decrease in the Mauritian Rupee against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk and represents Management Committee' assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A negative number below indicates a decrease in net assets available for benefits where the Mauritian Rupee strengthens 5% against the relevant currency. For a 5% weakening of the Mauritian against the relevant currency, there would be an equal and opposite impact on the net assets available for benefit, and the balances below would be positive.

	2017 Rs.	2016 Rs.
Impact on:		
Australian Dollar	-	36,912
US Dollar	373,921	2,401,813
UK Pound	1,885	367,009
Euro	313,373	634,252
	689,179	3,439,986

(ii) Price risk

The Fund is exposed to equity securities price risk because of investments held by the Fund and classified on the statement of net assets available for benefits as available-for-sale. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Fund.

Sensitivity analysis

The table below summarises the impact of increases/decreases in the price of investments on the Fund's surplus for the year. The analysis is based on the assumption that the price had increased/decreased by 5%.

Category of investments:	Impact on changes in net assets available for benefits	
	2017 Rs.	2016 Rs.
Available-for-sale	19,746,395	22,117,764

(iii) Cash flow and fair value interest rate risk

The interest rate profile of the financial assets and financial liabilities of the Fund as at December 31:

Financial assets	Currency	2017	2016
		% p.a.	% p.a.
HTM fixed interest bearing investment	MUR	4-8	5.96-8.5
Bank balances at floating interest rates	AUD	-	2.62-3.6
	MUR	-	2.3

Financial liabilities

None of the Fund's financial liabilities are interest-bearing.

Interest rate sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates at the reporting date.

If interest rates had been 25 basis points higher, the effect on changes in net assets available for benefits would have been as follows:

	2017 Rs.	2016 Rs.
Surplus	163,863	327,065

(b) Credit risk

Credit risk is the risk that the Fund will incur a loss because its counterparties fail to discharge their contractual obligations. The Fund manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for industry concentrations, and by monitoring exposures in relation to such limits. The Fund has established a credit quality review process to provide early identification of possible changes in the credit worthiness of counterparties. The risk of default on investment is almost inexistent given that Fund managers are of good reputation and inspire credibility. The risk that contribution may not be received is minimal. Credit risk on contribution is deemed to exist only when the going concern status of the participating employer is at stake.

The maximum exposure with respect to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amount of the Fund's financial assets.

	Gross maximum exposure	
	2017	2016
	Rs.	Rs.
Contributions and other receivables	21,947,213	15,474,592
Bank balance	18,353,396	12,974,472
Dealing account	71,319,089	94,293,194
	111,619,698	122,742,258

There is no concentration of credit risk since the receivable from the customer base is large and unrelated. Cash and cash equivalents are kept with reputable institutions so as to minimize associated credit risk.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the ability to close out market positions.

Liquidity and risk table for non-derivative financial liabilities

	2017	2016
	Rs.	Rs.
Non-interest bearing	4,562,718	2,967,252

The maturity profile of the financial liabilities is summarised as follows:

	3 months to 1 year	
	2017	2016
	Rs.	Rs.
Non-interest bearing	4,562,718	2,967,252

3.2 Fair value estimation

Fair values estimation

Except where stated elsewhere, the carrying amounts of the Fund's financial assets and financial liabilities approximate their fair values due to the short-term nature of the balances involved.

Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Available-for-sale financial assets	
	2017	2016
	Rs.	Rs.
Level 1	370,016,330	312,250,082
Level 2	24,911,579	22,005,018
	394,927,909	334,255,100

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active local listed equities and foreign equities and overseas unit trusts and mutual funds. The Fund does not dispose any assets valued at level 2 or 3.

3.3 Capital risk management

The capital of the Fund is represented by the net assets attributable to the members. The amount of net assets attributable to members can change significantly as the Fund is subject to members leaving and joining the Fund at their own discretion. The Fund's objective when managing the capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for members and to maintain a strong capital base for future payment of obligations towards members.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

4.1 Critical accounting estimates and assumptions

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

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

(a) Held-to-maturity investments

The Fund follows the guidance of International Accounting Standard (IAS) 39 - "Recognition and Measurement" on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as held-to-maturity. This classification requires significant judgement. In making this judgement, the Fund evaluates its intention and ability to hold such investments to maturity.

If the Fund fails to keep these investments to maturity other than for specific circumstances explained in IAS 39, it will be required to reclassify the whole class as available-for-sale. The investments would therefore be measured at fair value not amortised cost.

(b) Impairment of available-for-sale financial assets

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

(c) Limitation of sensitivity analysis

Sensitivity analysis in respect of market risk demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

Sensitivity analysis does not take into consideration that the Fund's assets and liabilities are managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the Fund's view of possible near-term market changes that cannot be predicted with any certainty.

5. INVESTMENTS IN FINANCIAL ASSETS

(a) The movement in investments in financial assets may be summarised as follows:

	Available- for-sale financial assets Rs.	Held-to-maturity investments Rs.	Total Rs.
At January 1, 2017	334,255,100	251,522,909	585,778,009
Additions	80,927,715	107,861,756	188,789,471
Disposals	(67,181,718)	(43,788,350)	(110,970,068)
Increase in fair value	46,926,811	605,695	47,532,506
At December 31, 2017	394,927,909	316,202,010	711,129,919
Current	-	3,065,103	3,065,103
Non Current	394,927,909	313,136,907	708,064,816

(b) Available-for-sale financial assets

	2017 Rs.	2016 Rs.
Available-for-sale financial assets include the following:		
- Equity securities-at-fair value	394,927,909	334,255,100
Total available-for-sale financial assets	394,927,909	334,255,100

(c) Held-to-maturity investments

	2017 Rs.	2016 Rs.
Held-to-maturity investments include the following:		
- Debt securities-at amortised cost	316,202,010	251,522,909
Allowance for impairment	-	-
Total held-to-maturity financial assets	316,202,010	251,522,909

(d) Investments in financial assets are denominated in the following currencies:

Currency	Available-for-sale		Held-to-maturity	
	2017 Rs.	2016 Rs.	2017 Rs.	2016 Rs.
Mauritian Rupee	183,164,936	157,868,143	202,825,557	184,684,654
Australian Dollar	9,557,462	8,833,028	-	-
Great Britain Pounds	-	-	7,571,742	-
US Dollar	167,632,387	144,906,410	101,633,043	62,875,122
Euro	34,573,124	22,647,519	4,171,668	3,963,133
	394,927,909	334,255,100	316,202,010	251,522,909

6. DEALINGS ACCOUNT

The dealings account represent monies with the custodian for investments by the fund manager.

7. ACCOUNTS RECEIVABLE

	2017	2016
	Rs.	Rs.
Contribution receivable	21,947,213	15,474,592
	<u>21,947,213</u>	<u>15,474,592</u>

The carrying amount of accounts receivable approximate their fair value.

As of December 31, 2017, no contribution receivable has been impaired.

The ageing of contribution receivable is as follows :

	2017	2016
	Rs.	Rs.
0 to 3 months	18,717,460	15,408,542
3 to 6 months	2,165,593	55,250
6 months to 1 year	1,064,160	10,800
	<u>21,947,213</u>	<u>15,474,592</u>

The carrying amounts of contribution receivable and other receivables are in Mauritian rupees.

8. ACCOUNTS PAYABLE

	2017	2016
	Rs.	Rs.
Benefits payable	1,254,805	606,759
Other payables and accruals	3,307,913	2,360,493
	<u>4,562,718</u>	<u>2,967,252</u>

The carrying amount of accounts payable approximate to their fair value.

9. EMPLOYER RESERVE ACCOUNT

	2017	2016
	Rs.	Rs.
At January 1,	14,724,760	12,065,238
Surplus for the year	1,723,289	2,659,522
At December 31,	16,448,049	14,724,760

The employer reserve account represents employers' contributions to meet costs and expenses, and any portion of a member's total accumulated share not paid as a benefit.

10. CONTRIBUTIONS RECEIVABLE

	2017	2016
	Rs.	Rs.
Employers' contributions	68,844,620	64,669,550
Employees' contributions	20,882,474	19,375,387
Employers' special contributions	222,843	153,888
Transfer from other funds	3,540,952	2,097,753
Additional voluntary contributions	217,047	268,840
	93,707,936	86,565,418

11. BENEFITS PAYABLE

	2017	2016
	Rs.	Rs.
Lump sums retirement benefits	2,697,929	3,450,985
	2,697,929	3,450,985

12. PAYMENTS TO AND ON ACCOUNT OF LEAVERS

	2017	2016
	Rs.	Rs.
Individual transfers to other schemes	44,382,256	6,014,807
Refund of contributions	395,250	342,834
Transfer to employers' reserve	9,631,718	10,536,832
	54,409,224	16,894,473

13. INVESTMENT INCOME

	2017	2016
	Rs.	Rs.
Dividend income	8,670,406	6,458,836
Interest income:		
-On dealings accounts	655,451	1,308,260
-On held-to-maturity investments	12,567,274	6,876,586
	21,893,131	14,643,682

14. INVESTMENT MANAGEMENT EXPENSES

	2017	2016
	Rs.	Rs.
Management and custodian fees	2,051,637	1,691,489
Other expenses	63,127	71,712
	2,114,764	1,763,201

15. TAXATION

Super Fund, being an exempt body of persons under part 1 of the second schedule of Income Tax Act 1995, is exempt from income tax.

16. ACTUARIAL ASSUMPTIONS VALUATION AND FUNDING POLICY

An actuarial study has been carried out at December 31, 2014 based on the following principal:

- (a) Assets of the Fund would earn an average long term investment return of 7.5% p.a.
- (b) Pension in payment would be increased on average in the long term at a rate of 2.5% per annum.

The Fund liabilities with respect to active and deferred members amounted to Rs.474.8 million as at December 31, 2014. These were fully backed by assets of the same amount.

The reserves built up in the Annuity Fund as at December 31, 2014 were Rs.5.2 million. The Total Accumulated Share (TAS) of retiring members is transferred to this Fund and pensions are then paid out from this Fund.

The estimated liability in respect of pensioners at the valuation date is Rs.5.3 million. These are backed by assets of Rs.6.1 million - Rs.5.2 million in the Annuity Fund and Rs.0.9 million - Rs.5.2 million in the Annuity Fund and Rs.0.9 million still in the Employer Reserve Account at the valuation date. This allows the Management Committee to consider granting annual discretionary increases at a reasonable level each January 1.

A full review of the financial position of the Fund will be completed within nine month from the reporting date.

Participating Employers

AFRASIA CAPITAL MANAGEMENT LTD
AGENCE FRANCAISE DE DEVELOPPEMENT
ANALYSIS CO LTD
ARUP - SIGMA LTD
ASSOCIATED CONTAINER SERVICES LTD
BRITISH AIRWAYS (MAURITIUS)
CAHRI STUDIO LTD
CKLB INTERNATIONAL MANAGEMENT LTD
COGIR LTEE
COMMUNAUTE FIAT
CONSULTEC LIMITED
CREASIM LIMITEE
CREATIVE HR SOLUTIONS LTD
DPD LASER (MAURITIUS) LTD
E.R.C LEVAGE
ECOVADIS (MAURITIUS) LTD
EGECO LTD
EIILM LTD. (LONDON BROKERS LTD)
ENGINEERING TECHNICAL & MANAGEMENT SERVICES LTD
ETAيروس LTD
FGY SERVICES LTD
FLEXICOM CO. LTD
GAMMA CIVIC LTD
GAMMA CONSTRUCTION LTD
GAMMA CORPORATE SERVICES LTD
GAMMA MATERIALS LTD
GAZ CARBONIQUE LTD
GMF LTD
GRANDE RIVIERE INVESTMENT CO LTD
GUARDRISK INTERNATIONAL LTD PCC
IMMOSPHERE
IN & OUT TRADING LTD
ISLAND CHEMICALS LIMITED
ISLAND RENEWABLE FERTILIZERS LTD
ISLAND SALT LTD
JPH OFFICES LTD

KRESTON MANAGEMENT LTD
LA MOISSON LTEE
LORETO INSTITUTE
LOTTOTECH LTD
MACUMBA LTD
MARAND TRADING COMPANY LTD
MAUREVA LTD
MECHANIZATION CO LTD
MEDSCHEME (MTIUS) LTD
MIROVERRE LTD
NEO FOODS
OPTIQUE JM LTD
ORANGE BUSINESS SERVICES MAURITIUS LTD
OZIMATE LTD
PAJR MEDICAL LTD (CLINIQUE DE LORETTE)
PANACHE & CO LTD
PEX HYDRAULICS (MTIUS) LTD
PRINCES TUNA (MAURITIUS) LTD
PROFESSIONAL TECHNICAL EXTRUDER CONCRETE LTD
QUANTILAB LTD
REINSURANCE SOLUTIONS INTERNATIONAL LTD
ROLEM BUREAUTIQUE LTD (EXECUTIVE)
SOPHIA OUTSOURCING LIMITED
SOVEREIGN TRUST (MAURITIUS) LTD
SWAN PENSIONS LTD (PENSION CONSULTANTS & ADMINISTRATORS LTD)
TERRA MARKETING LTD
THE GENERAL CONSTRUCTION COMPANY LTD
TMF (MAURITIUS) LTD
TRAXX LTD
TSAR LTD
UNICORN TRADING COMPANY (MSJ LTD)
VALENTIN LAGESSE ASSOCIES
VELOGIC GARAGE SERVICES LTD
VELOGIC HAULAGE SERVICES LTD
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