



40 YEARS SINCE 1982

Business Mauritius
Provident Association

**ANNUAL
REPORT
2021/22**

www.mosante.org

Our Social Role

While being a Provider of health care covers, Mosanté also acts as a promoter by encouraging employers to fulfill their social responsibility in order to increase employee efficiency and productivity. Being a non-profit provident association, any extra surplus is reinvested into the improvement of health care facilities.



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President's Report



We provide lifetime care to our members and contribute towards their peace of mind through flexible health care covers.

Dear Members

The B.M.P.A is celebrating its 40th anniversary this year, which marks a milestone for us all. Since 1982, we have put in a lot of hard work and survived many challenges as a team. Serving more than 20,000 lives across different regions, we are honoured to have a valued presence on the island today.

This year also marks a significant change as the B.M.P.A's Management Committee was reconstituted in April 2022. Blessed with a fresh set of strategic minds and the legacy left by our predecessors, we have renewed our commitment to continue driving the Association so that it brings value to our most respected "B.M.P.A Community", our Corporate Members and Beneficiaries.

A flashback from a year ago - our Committee Members, our Administrator, Business Mauritius and other service providers engaged themselves in carrying out some challenging work with the vision of rebuilding our strength by consistently investing in and addressing the healthcare needs of the members that we serve. This vision is ongoing, and we are still working hard to achieve what is best for you. Over the years, via the medical scheme Mosanté, the B.M.P.A has successfully rolled out a number of digital tools available to both Corporate Members and Beneficiaries so that their health remains the priority while financial and administrative stress become secondary or even non-existent.

Honouring our commitment and promise of reinvesting surpluses to offer a better coverage and service to members, we are pleased to share that as from 01 October 2022, new product features will be unveiled under the Merged Benefits, Inpatient Cover and Catastrophe Cover.

Still with the same frame of mind, we conducted a Customer Satisfaction Survey in April 2022 with one of the leading market research agencies on the island. We thank all members who had an opportunity to participate and who took the time to provide us with their feedback. Among other key insights, it has come to our realisation that communication and increasing our level of interactions with our members is of essence to reinforce our commitment as it seems that the majority are not aware of all the benefits and added services available to them.

An Integrated Communications Strategy will to be executed during the next financial year so that both Corporate Members and beneficiaries are well informed about Mosanté and its added services. We have reviewed our content structure and actively relaunched our LinkedIn and Facebook Page in October last year. We have also been regularly sending informative emails to members and this month we launched our very first Quarterly E-Newsletter. There is more to come!

We firmly believe that sharing key information will not only assist beneficiaries in making the most of their medical benefits when they need it, but it will also help our Corporate Members to demonstrate that they care about the health of their employees and their families.

With this our dear members and supporters, we will let you flip through our Annual Report for details on our performance for the year 2021-2022.

I take this opportunity to thank everyone of you for being there for B.M.P.A during good and challenging times over our last 40 years of existence.

Sincerely

Clément Cartier
President

Management Committee



Mr Clément CARTIER
President
Director
Beach Destination Ltd



Mr Ballakrishna APPADU
Vice President
Educator
Adventist College



Mr Haren HAWOLDAR
Treasurer
Head of IP Services
C-Care Darné



Mrs Myrna AREKION
Vice Treasurer
Group Human Resources Manager
Mauritius Oil Refineries Ltd



Mrs Sandhya MAKHAN
Secretary
Adm. & HR Manager
Villas Caroline Beach Hotel



Mr Ange Dominique BAUDA
Member
Senoir HR Manager/Project
Southern Cross Tourist Company Ltd



Mr Dhiruj RAMLUGGUN
Member
Head of Social Capital
Business Mauritius



Mrs Mary Jennifer WONG AH-FAT
Member
Director
Pasteur Pharmaceuticals Ltd



Mrs Naveena DHANOOPA
Member
Industrial Relations Officer
Business Mauritius

40 YEARS
SINCE 1982

Excelling in
Customer service
since 40 years

Governance

Management Committee

BMPPA is led by a Management Committee which is collectively responsible for its long-term success, reputation and governance. The Management Committee provides leadership and guidance towards the achievement of the Association's strategy and always acts in its best interest. While showing great respect for its fiduciary responsibilities, the Management Committee also assumes responsibility for all legal and regulatory requirements of the Association. The roles and responsibilities of the Management Committee are set out in the Association's Charter.

The Management Committee has approved the following key governance documents: which are available on the Company's website:

- > Board Charter
- > Sub Committees' Charters
- > Code of Conduct for Management Committee Members

The Management Committee retains ultimate responsibility for the Association, even when delegating certain functions to internal staff and external service providers. During the year 2021/22, seven Managing Committee meetings and one special Managing Committee meeting were held. Sub Committees have been established in order to assist the Managing Committee in its roles and responsibilities and to enhance its efficacy.

The Management Committee has established the following Committees to assist in the discharge of its responsibilities:



Audit, Risk and Corporate Governance Sub-committee



Investment Sub-committee



Marketing Sub-committee

Each Sub Committee has its own charter, approved by the Management Committee and reviewed as and when required.



Audit, Risk and Corporate Governance Sub-committee

The Audit, Risk and Corporate Governance Sub-committee assists the Management Committee in fulfilling its oversight responsibilities related to corporate accounting, financial reporting practices, quality and integrity of financial reports, compliance, internal control and business ethics.

The Committee is chaired by Mr Ange Dominique BAUDA and the committee is composed of the following members:

- Mr Naveena DHANOOPA
Member
- Mr Ballakrishna APPADU
Member
- Mr Sandhya MAKHAN
Member

The Committee met seven times during the year.



Investment Sub-committee

The Investment Sub-Committee lays down and reviews on a regular basis the investment strategy of the Association. The Committee has the objective of selecting investments to achieve a reasonable rate of return, while taking associated risks into consideration. It also takes investment decisions and ensures that investments are reasonable and proper.

The Committee is chaired by Mrs Myrna AREKION and composed of the following members:

- Mr Dhiruj RAMLUGGUN
Member
- Mr Ange Dominique BAUDA
Member

The Committee met once during the year.



Marketing Sub-committee

The Marketing Committee sets the vision for and manages the overall marketing strategy of BMPPA

- > 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.

The Committee is chaired by Mr Dhiruj RAMLUGGUN and composed of the following members:

- Mr Ballakrishna APPADU
Member
- Mr Clement CARTIER
Member
- Mrs Mary Jennifer WONG AH-FAT
Member

The Committee met twice during the year.

Key Figures 2021/22

Gross
Subscription (Rs)



Beneficiaries



Members



Claims
Refunded



Gross Claim
Paid (Rs)



Operation
Expenses (Rs)



Operational Highlights

Customer Satisfaction Survey

BMPA has appointed **KANTAR** who operates under **Analysis Co Ltd** in April 2022 to conduct and to assess the strengths of relationships between Mosanté and its customers as well as to evaluate its transactional performance.

The research also aims at identifying the strengths and weaknesses of the brand.

For this purpose, phone interviews were conducted with 326 beneficiaries and 244 decision makers. The interviews followed a communication by Business Mauritius Provident Association informing potential respondents about the objectives of the survey and requesting their participation. The survey was conducted from the 17th of May to the 15th of July 2022.

The Customer Satisfaction Index (a weighted score on 100 points) is high at 74 among beneficiaries. The reasons of satisfaction pertain to:

- > The service consistency
- > Rapidity of claim settlement
- > Customer service
- > User-friendliness and
- > Accessibility of the digital platform.

Easy and effective procedures are further strengths which were identified for the brand. Beneficiaries vouch for the ease of filling in application form and submission of supporting documents as well as submission for inpatient claim. The ease of amending options and of adding/removing dependents upon renewal, the processing time of membership card and clarity on available information regarding medical cover are also

plus points. These aspects act as the leverage points of the brand. This segment is also willing to recommend Mosanté to their family and relatives. The NPS, which is the difference between the percentage of detractors and promoters, denotes a positive score of 14, implying the willingness to recommend.

A provider's reputation is assessed not only by its long-term presence on the market, but also through positive word-of-mouth, public relations activities and media visibility. Mosanté enjoys a good reputation among employers and it was also chosen for its competitive offerings.

Undoubtedly, decision makers are more demanding than beneficiaries and Mosanté achieves a satisfactory Customer Satisfaction Index of among this segment. The reasons of satisfaction for decision makers pertain to Mosanté's rapidity and ease of claim settlement, especially owing to the mobile app, services offered, customer service and competitiveness. Further strengths identified among this segment are the ease of renewal process, rapidity of contract renewal, competitiveness of the medical cover and clarity of information on medical coverage. Decision makers show willingness to recommend Mosanté as well. The NPS represents a positive score of 9.

Engaging with our Members

BMPA is conscious, more than ever, that engaging with its members is of the utmost importance. A series of Marketing & Communication activities were brought on Board which are currently outsourced to SmartCommunications Ltd (SmartComs). SmartComs has been guiding and assisting us in preparing relevant content for our social media campaigns, with a focus of providing information on the Mosanté medical cover. Likewise, SmartComs has assisted us in communicating regularly with all members and other stakeholders via email.

After a successful engagement rate, SmartComs is currently drawing an integrated marketing communication plan which will be driven and executed by both SmartComs and BMPA's teams so that we can become even closer to all members, be it Corporate Members or beneficiaries.

In addition to social media content and emails, with the help of Smartcoms, we will now review and streamline all communications being sent to our members such as letters, flyers and welcome packs, so that the information is consistent across all our communication platforms. SmartComs also ensures that our website is regular updated with the latest news and information to help members understand and make the most of their medical cover. We are also sending a quarterly e-newsletter to all members going forward.

BMPA's Communication Objectives

SmartComs has devised strategies for BMPA which targeted both Corporate Members and Ordinary Members. Our main objectives are:

1. To create awareness on the Mosanté Medical cover and its added services.
2. To improve both the corporate & beneficiaries' experience by providing them with relevant information on their medical benefits.

Digital Communication

Mosanté on Social Media

To stay connected to Mosanté members, SmartComs has been posting actively and consistently on our LinkedIn and Facebook Page regarding:

- > Health Tips
- > New Service Alerts
- > Product Launches
- > Client Testimonials
- > International Health Days

Emailing

In addition to constant email marketing campaigns, BMPA kicked off its first E-newsletter in early September 2022 to stay closer than ever to Mosanté members. Through our quarterly e-newsletters, we hope to share insightful information on:

- > Our added services
- > Benefits under the Mosanté Health Plan
- > Health tips by specialists
- > Latest or upcoming events
- > And much more

Cashless Services

As part of our added services, we offer a Cashless Service at Participating Pharmacies and Opticians to all our members who have a Merged Benefits Cover.

What is the Cashless Service?

The Cashless Service enables our members to manage their medical budgets better, simply by presenting their physical or E-Membership Card to MedActiv Pharmacies and Participating Opticians at the time of purchase.

Through this cashless service, a beneficiary will only need to disburse the applicable excess which is 20% on purchase of prescribed medication or eyewear. The remaining balance will be settled by Mosanté in line with the limits and terms and conditions of the member's cover.

So, not only a member does not have to make a full payment upfront with the service provider to then recover the expense by submitting a claim, but also, they do not need to go through the hassle of submitting a claim altogether!

E-Membership Card

E-Membership card is accessible on Mosanté Apps anywhere anytime for any cashless services and "Prise en Charge".

How do you access your E-membership card?

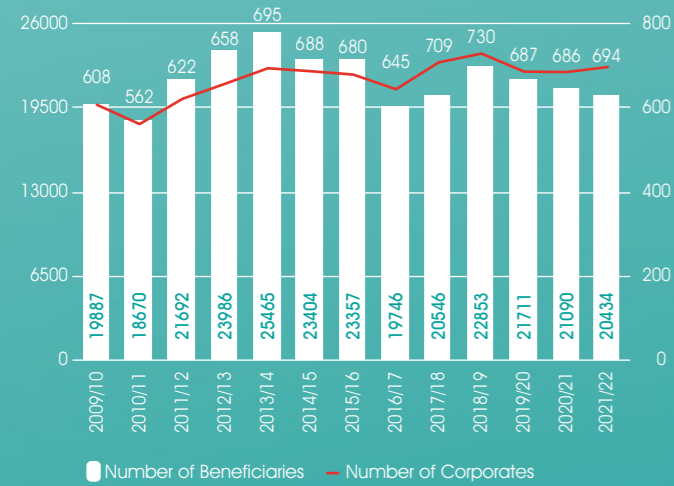
Simply log on the Mosanté App, select the beneficiary on the home screen and tap on Membership Card. Our E-Membership Card are accepted by Participating Pharmacies and Opticians to benefit from our Cashless services and all clinics on the island, for admission purposes.

Access
Anywhere!
Anytime!

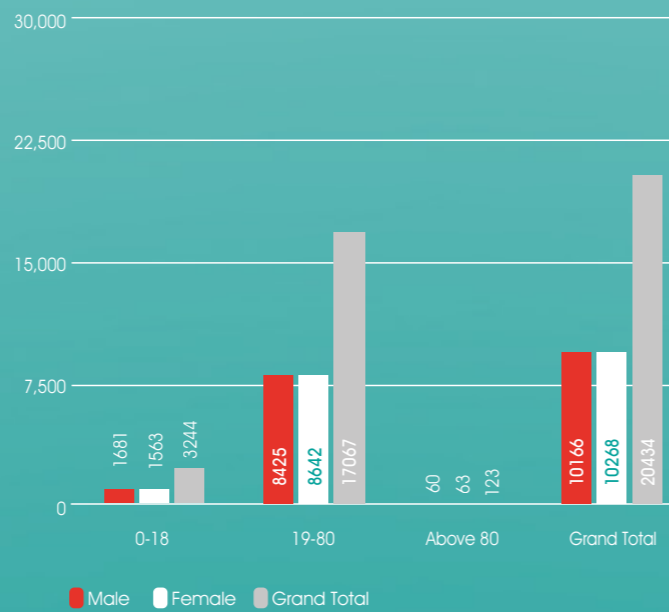


Membership and Statistics

Membership Trend



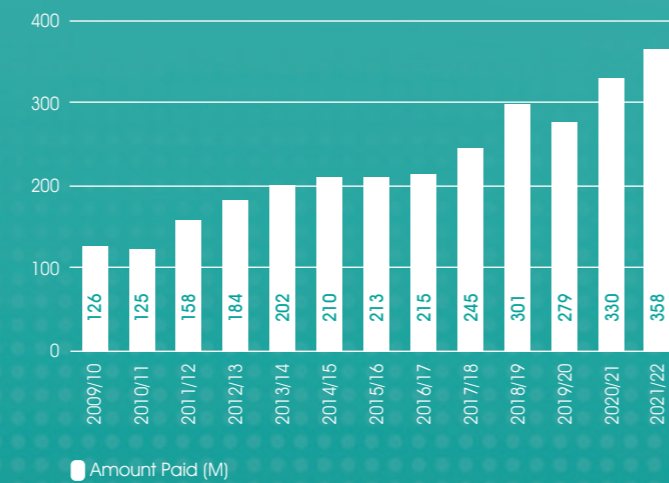
Membership by Age group



Number of Claims Paid



Claims Paid (MUR M)



40 YEARS
SINCE 1982



Providing
Lifetime Healthcare
since 40 years

Remarks by the Investment Advisors

Objective

- > Set up in 1982, Business Mauritius Provident Association (BMPA), aims at providing health care covers to employees of Business Mauritius member enterprises and their dependants.
- > The Association aims to generate a return ahead of inflation in the short to medium term from a diversified portfolio of relatively low risk investments.
- > It also seeks to be in a position to make medical related payments at relatively short notice by using invested funds, as and when required.

Strategy

- > BMPA generally invests in short to medium term assets, which are considered to be relatively liquid and perceived to have a low risk of default or capital loss.
- > Derivatives are not permitted as an investment.

Outlook

- > BMPA continues to carefully look for attractive investment opportunities which could potentially improve risk-adjusted returns of the investment portfolio in the short to medium term. Focus will remain on investing in local fixed income instruments.

Asset Allocation

At end-June 2022, the asset allocation of BMPA relative to its strategic asset allocation and permitted ranges, as outlined in its Investment Policy Statement (IPS) were as follows:

Asset	Current Allocation (Jun-22)	Target Allocation	Permitted Variance
Cash	11.5%	5.0%	0%-10%
Short Term Local Fixed Income	19.9%	40.0%	30%-50%
Medium Term Local Fixed Income	52.9%	55.0%	45%-65%
Local Equities	8.2%	0.0%	0%-5%
Foreign Equities	7.5%	0.0%	0%-5%
Foreign Fixed Income	0.0%	0.0%	0%-10%
Total	100.0%	100.0%	

Note:

- Short-term local fixed income instruments relate to local fixed income securities of maturity of 12 months or less, while medium-term local fixed income instruments relate to fixed income securities of maturity ranging between 1 year to 5 years.
- The above asset split as at end-June 2022 has been computed based based on the figures shared by BMPA.

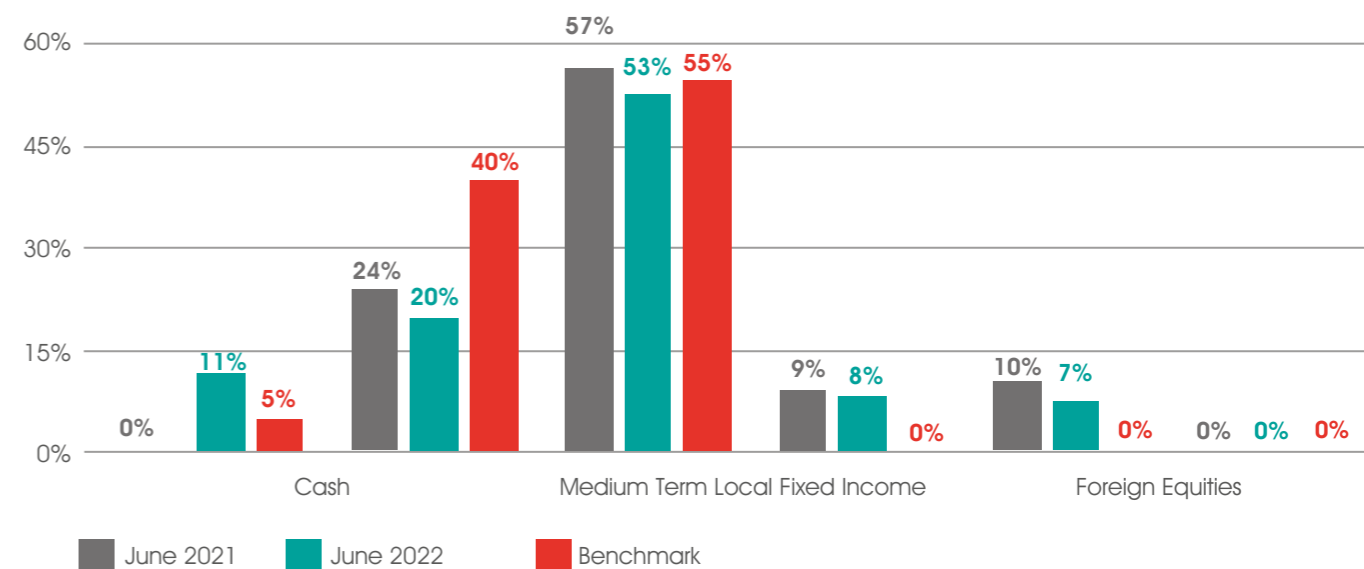
BMPA's total assets amounted to around MUR 87.0 mln as of 30th June 2022, up from MUR 72.2mln as at end of the previous financial year.

At end-June 2022, the majority of the total assets (around 85%) were invested in matching assets (represented by fixed income instruments and cash and which are considered to be of lower risk). The remaining 15% was invested in growth assets (represented by equities and which are considered to be of higher risk).

The top 5 holdings, listed below, represented around 46% of the investment portfolio as at end-June 2022.

Instrument	% of Investment Portfolio
SBM Perpetual Fund	15.9%
Rogers & Company Limited Notes	11.6%
Spice Finance Ltd Fixed Deposit	6.2%
MCB Overseas Fund	6.0%
Government of Mauritius Treasury Bills	5.9%

Evolution of BMPA over the past financial year



Note that BMPA invested further in local corporate bonds during the past financial year. However, there was no significant change in the asset allocation as at end-June 2022. Surplus cash available for new investments stood at MUR 10mln as at end-June 2022. Post financial year end, the surplus cash was invested in local fixed income instruments, namely some short-term fixed deposits and a local fixed income fund, which has important exposure to Mauritian inflation-linked government bonds.

Market Review

The financial year was marked by several market-moving events in the financial markets around the globe. Soaring inflation and aggressive monetary policy by central banks fueled fears of slowing economic growth in 2022. Moreover, with the ongoing Russia-Ukraine war, the macroeconomic outlook has remained uncertain. Foreign equities fell sharply during the year under review.

Over the same period, the local equity markets generally followed an upward trend. However, from April 2022 onwards, the local stock market lost some ground in the background of rising inflation and global uncertainty.

Local yields moved slightly higher during the year. Note that yields and bond prices are inversely related. Therefore, amid rising yields, bond prices, which are marked-to-market fell. The year-on-year inflation rose to 9.6% in June 2022. Treasury Yields across all maturities however continue to remain significantly below actual inflation.

Outlook

BMPA will continue to look for attractive local fixed income opportunities, which could suit its investment portfolio and bring further diversification. The focus will be on investing in relatively liquid and fairly low risk instruments with a short to medium term horizon.

Aon Solutions Ltd
Actuary

40 YEARS
SINCE 1982



Focusing on your
Health & Wellbeing
since 40 years

Financial Statements

For the year ended 30 June 2022

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and liabilities

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Statement of Assets and Liabilities as at 30 June 2022

	Notes	2022 Rs	2021 Rs
ASSETS			
Plant and equipment	2	1,550,811	1,821,247
Contribution receivable	3	19,161,716	9,261,948
Sundry debtors and prepayments	4	1,369,808	2,516,999
Financial assets at fair value through other comprehensive income	6	49,913,334	45,709,037
Financial assets at amortised cost	7	20,296,685	20,296,685
Other financial assets	8	6,759,756	6,378,325
Cash and cash equivalents	5	92,277,654	62,628,924
Right-of-use asset	12	454,771	740,965
TOTAL ASSETS		191,784,535	149,354,130
LIABILITIES			
Sundry creditors and contribution prepaid	9	9,056,438	9,551,140
Outstanding claims payable	10	26,636,547	14,563,092
Incurred But Not Yet Reported ("IBNR") claims	11	14,021,963	11,214,681
Amount payable to reinsurer	15.3	11,668,789	12,350,272
Lease liabilities	12	562,764	849,875
TOTAL LIABILITIES		61,946,501	48,529,060
		129,838,034	100,825,070
ACCUMULATED FUND			
Accumulated surplus		95,152,422	88,100,499
Surplus for the year		28,808,667	7,051,923
Fair value reserves	6(iv)	5,876,945	5,672,648
TOTAL ACCUMULATED FUND		129,838,034	100,825,070

Chairman:



Treasurer:

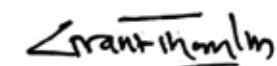


INDEPENDENT AUDITORS' REPORT

We, the undersigned, having had access to all books and accounts and having examined the foregoing return and verified the same with accounts and vouchers relating thereto in accordance with International Standards on Auditing, sign the same found to be correct and duly vouched.



K RAMCHURUN, FCCA
Licensed by FRC



Grant Thornton
Chartered Accountants

Income and expenditure account for the year ended 30 June 2022

	Notes	2022 Rs	2021 Rs
INCOME			
Gross subscriptions	13	426,847,659	409,792,398
Re-Insurance subscriptions	15.1	(134,098,769)	(121,418,640)
Net subscriptions		292,748,890	288,373,758
CLAIMS			
Gross claims	14	358,118,885	352,328,016
Re-Insurance claims	15.1	(124,622,728)	(105,058,302)
Net claims		233,496,157	247,269,714
Gross surplus		59,252,733	41,104,044
EXPENDITURE			
Management fees	16	24,550,850	24,393,510
Referral fees	17	3,713,443	6,207,729
Stationery and photocopy charges		227,760	240,180
Audit fees		575,000	603,750
Bank charges		71,757	72,757
Marketing fees	18	2,392,441	2,641,946
Advertising and communication fees		309,067	421,818
Medical, professional and consultancy fees		688,365	350,995
Depreciation	2 & 12	715,856	608,480
Salaries		443,956	372,153
Training costs		-	148,900
Sundry expenses		1,075,581	372,303
Total expenditure		34,764,076	36,434,521
Operating surplus		24,488,657	4,669,523
Interest income on financial assets		1,805,737	1,288,743
Interest expense	12	(38,052)	(49,108)
Amount receivable written off		-	(92,526)
Amount payable written back	9	1,738,183	-
Allowance for credit losses	3(ii)	(386,058)	-
Allowance for credit losses reversed during the year	3(ii)&8(ii)	1,200,200	1,235,291
Net surplus for the year		28,808,667	7,051,923
Fair value gain on financial assets at fair value through other comprehensive income	6(ii)	204,297	2,610,322
Accumulated surplus and reserves brought forward		100,825,070	91,162,825
Accumulated surplus and reserves carried forward		129,838,034	100,825,070

Statement of receipts and payments for the year ended 30 June 2022

	2022 Rs	2021 Rs
Bank balances on 01 July (Note 5)	62,628,924	52,904,134
Receipts		
Subscriptions	404,720,620	394,625,025
Matured deposits	856,069	11,658,148
Interest and dividend received	1,805,737	1,122,181
Receipts in respect of reinsurance	4,211,405	16,426,382
	411,593,831	423,831,736
Payments		
Claims paid	(335,258,067)	(329,762,251)
Management fees	(24,619,790)	(24,267,410)
Payments in respect of reinsurance	(10,077,075)	(23,780,956)
Investments acquired	(4,000,000)	(21,104,272)
Professional fees	(259,353)	(317,987)
Medical and consultancy fees	(1,600)	(13,100)
Marketing fees	(2,404,322)	(2,635,411)
Stationery and photocopy charges	(225,000)	(240,180)
Audit fees	(603,750)	(512,522)
Referral fees	(2,260,258)	(7,683,846)
Salaries	(473,296)	(333,301)
Bank charges	(71,757)	(72,760)
Advertising	(472,190)	(421,818)
Plant and equipment	(142,446)	(2,024,051)
Other expenses	(1,076,197)	(937,081)
	(381,945,101)	(414,106,946)
Bank balances at 30 June (Note 5)	92,277,654	62,628,924

SIGNATURES OF:

Chairman:



Treasurer:



Date: 06.09.2022

Date: 06.09.2022

Notes to the accounts

For the year ended 30 June 2022

Notes to the accounts For the year ended 30 June 2022

1. Summary of accounting policies

1.1 Overall considerations

The accounts of Business Mauritius Provident Association, the "Association", have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), in terms of recognition and measurement and the requirements of the Registration of Associations Act 1978.

The significant accounting policies are summarised below.

1.2 Adoption of new IFRS

In the current year, the Association has assessed the impact of the revised amendments and concluded that none of them has an impact on these financial statements.

1.3 Foreign currency

Functional and presentation currency

The accounts are presented in Mauritian Rupees ("MUR" or "Rs"), which is also the functional currency of the Association.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in the income and expenditure account.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

1.4 Plant and equipment

Plant and equipment are initially recorded at cost less accumulated depreciation and impairment losses.

Depreciation is calculated on the straight-line method to write down the cost of assets to their residual values over their estimated useful lives as follows:

Furniture	16.7%
Computer	33%
Office equipment	16.7%
Motor vehicle	20%

The estimated useful lives are reviewed at each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are included in the income and expenditure account. All repairs and maintenance are expensed during the financial period in which they are incurred.

Notes to the accounts For the year ended 30 June 2022

1. Summary of accounting policies (Contd)

1.5 Subscriptions and claims

Subscription income

Subscription income is accounted for on an accrual basis.

Claim costs

Claim costs are accounted for on an accrual basis.

1.6 Other income

Interest income is recognised on an accrual basis using the effective interest rate, unless collectability is in doubt.

1.7 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, together with other short term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value.

Fixed deposits with maturity dates more than 90 days are disclosed separately in the statement of assets and liabilities.

1.8 Provisions

Provisions are recognised when the Association has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation and the amount can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

1.9 Impairment of assets

At each reporting date, the Association reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment. When an indication of impairment loss exists, the carrying amount of the asset is assessed and written down to its recoverable amount.

1.10 Expenditure

Expenditure is recognised in the income and expenditure account upon utilisation of the service or as incurred.

1.11 Receivables

Receivables include mainly contribution receivable, contribution receivable from reinsurers and sundry debtors.

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

The Association makes use of a simplified approach in accounting for receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument.

Notes to the accounts For the year ended 30 June 2022

1. Summary of accounting policies (Contd)

1.12 Accumulated fund

Accumulated fund includes all current and prior years' results.

1.13 Incurred But Not Yet Reported ("IBNR") claims

IBNR claims represent an estimate for claims that have occurred during the financial year, but which are which are yet to be reported to the Association as at reporting date. The IBNR claims are determined by a qualified actuary.

1.14 Payables

Payables include mainly contribution prepaid, payable to reinsurer, outstanding claims payable and sundry creditors.

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

1.15 Financial assets at fair value through other comprehensive income (FVOCI)

The Association accounts for financial assets at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective is to hold assets only to collect cash flows, or to collect cash flows and to sell; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Association's financial assets at FVOCI comprise of investments in quoted and unquoted securities.

Quoted securities

The quoted securities are initially measured at cost plus transaction costs and subsequently at fair value with reference to their closing price on the relevant stock exchange or Net Asset Value ("NAV") at the reporting date. Gains and losses are recognised in income and expenditure account and reported in fair value reserves within accumulated funds.

Unquoted securities

Unquoted securities are measured at cost as the members consider the cost of these investments to be a reflection of the fair value.

Dividends are recognised in income and expenditure account.

1.16 Financial assets at amortised cost

Financial assets are measured at amortised cost using the effective interest method if the assets meet the following conditions (and are not designated as FVTPL):

- They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes to the accounts For the year ended 30 June 2022

1. Summary of accounting policies (Contd)

1.17 Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

2. Plant and equipment

Cost	Furniture Rs	Computer Rs	Office equipment Rs	Motor vehicle Rs	Total Rs
At 01 July 2021	205,388	303,776	976,513	695,000	2,180,677
Additions during the year	-	150,836	8,390	-	159,226
At 30 June 2022	205,388	454,612	984,903	695,000	2,339,903
Accumulated depreciation					
At 01 July 2021	44,354	74,021	118,049	123,006	359,430
Depreciation for the year	33,171	103,903	158,158	134,430	429,662
At 30 June 2022	77,525	177,924	276,207	257,436	789,092
Net book value as at 30 June 2022	127,863	276,688	708,696	437,564	1,550,811

Cost	Furniture Rs	Computer Rs	Office equipment Rs	Motor vehicle Rs	Total Rs
At 01 July 2020	33,600	123,026	-	-	156,626
Additions during the year	171,788	180,750	976,513	695,000	2,024,051
At 30 June 2021	205,388	303,776	976,513	695,000	2,180,677
Accumulated depreciation					
At 01 July 2020	15,342	21,801	-	-	37,143
Depreciation for the year	29,012	52,220	118,049	123,006	322,287
At 30 June 2021	44,354	74,021	118,049	123,006	359,430
Net book value as at 30 June 2021	161,034	229,755	858,464	571,994	1,821,247

Notes to the accounts For the year ended 30 June 2022

3. Contribution receivable

(i) Contribution receivable at the reporting date was as follows:

	2022 Rs	2021 Rs
Gross contribution receivable	22,575,787	12,289,961
Allowance for credit losses (Note (ii))	(3,414,071)	(3,028,013)
Net contribution receivable	19,161,716	9,261,948

(ii) The closing balance of the trade receivables loss allowance as at 30 June 2022 reconciles with the trade receivables loss allowance opening balance as follows:

	2022 Rs	2021 Rs
At 01 July	3,028,013	4,263,304
Loss allowance reversals during the year	-	(1,235,291)
Loss allowance recognised during the year	386,058	-
At 30 June	3,414,071	3,028,013

(iii) The ageing of contribution receivable is as follows:

	2022 Rs	2021 Rs
0 - 1 months	4,468,336	4,026,754
2 - 3 months	15,162,633	5,235,194
Above 3 months	2,944,818	3,028,013
	22,575,787	12,289,961

(iv) Expected credit losses

The Association applies the IFRS 9 simplified model of recognising lifetime expected credit losses for contribution receivable.

The expected loss rates are based on the payment profile for premium and corresponding historical credit losses during the prior year. Based on past experience and current payment trends, the members consider the provision of Rs 3,414,071 (2021: Rs 3,028,013) made as at 30 June 2022 to be adequate.

4. Sundry debtors and prepayments

	2022 Rs	2021 Rs
Sundry debtors and prepayments	151,967	731,978
Reinsurance (Note (i))	1,217,841	1,785,021
	1,369,808	2,516,999

(i) As at 30 June 2022, the Association has an amount of Rs 1,217,841 (2021: Rs 1,785,021) receivable from two corporates for reinsurance activity. The Members consider that no credit risk is associated with this amount as there is no history of default from these parties and the amount is fully recoverable.

Notes to the accounts For the year ended 30 June 2022

5. Cash and cash equivalents

	2022 Rs	2021 Rs
Cash at bank	92,277,654	62,628,924

6. Financial assets at fair value through other comprehensive income

	2022 Rs	2021 Rs
Financial assets at fair value through other comprehensive income	49,913,334	45,709,037

(i) Breakdown of investments

	2022 Rs	2021 Rs
Listed		
- Attitude Property Ltd	2,675,000	2,750,000
- MCB Group Limited – Notes	2,043,268	2,023,240
- SBM Holdings Ltd – Bonds	4,016,000	4,004,400
- IBL Ltd - Multicurrency Medium Term Secured and Unsecured Note Programme Tranche 1 -Series 2	4,005,559	4,072,080
- Exchange Traded Funds	1,313,481	1,510,158
- MCB Unit Trust	8,770,125	8,958,654
- MCB Group Limited	584,250	518,700
- SBM Holdings Ltd	279,552	259,168
- SBM Perpetual Fund	13,799,966	13,330,071
- Axiom Yield Fund Ltd	4,314,411	4,282,816
- Innodis Ltd	4,111,972	-
Unlisted		
- Afrasia Bank Limited - Class A Series 2 shares	3,999,750	3,999,750
	49,913,334	45,709,037

(ii) Movement in financial assets at fair value through other comprehensive income

	2022 Rs	2021 Rs
As at 01 July	45,709,037	29,019,593
Additions during the year (Note 6(iii))	4,000,000	14,079,122
Fair value adjustments	204,297	2,610,322
As at 30 June	49,913,334	45,709,037

(iii) During the year under review, the Association made new investments in Secured Fixed Rate Notes issued by Innodis Ltd for a total of Rs 4,000,000. The Secured Fixed Rate Notes have a maturity period of 5 years.

Notes to the accounts For the year ended 30 June 2022

6. Financial assets at fair value through other comprehensive income (Contd)

(iv) Fair value reserves movement	2022 Rs	2021 Rs
As at 01 July	5,672,648	3,062,326
Fair value adjustments	204,297	2,610,322
As at 30 June	5,876,945	5,672,648

7. Financial assets at amortised cost

During the year ended 30 June 2022, the Association has investments in several bonds and treasury bills which have been classified at amortised cost at initial recognition.

	2022 Rs	2021 Rs
Financial assets at amortised cost	20,296,685	20,296,685

(i) Breakdown of investments

	2022 Rs	2021 Rs
- MCB Treasury bills	5,166,187	5,166,187
- MCB Bonds	3,025,703	3,025,703
- Rogers & Company Limited Notes	10,104,795	10,104,795
- CIM Financial Services Ltd	2,000,000	2,000,000
	20,296,685	20,296,685

8. Other financial assets

	2022 Rs	2021 Rs
- Spice Finance Ltd (Note (i))	5,415,625	5,178,125
- Silver Bank Limited (Formerly known as BanyanTree Bank Limited) (Note (ii))	1,344,131	1,200,200
	6,759,756	6,378,325

(i) Term deposits are placed with several financial institutions with maturity dates of more than 90 days. The fixed deposit with Spice Finance Ltd has a maturity date of 24 September 2025 and yields interest of 4.75% per annum.

(ii) In the financial year ended 30 June 2020, BanyanTree Bank Limited ("BanyanTree") was under administration. The Members made an assessment for expected credit loss and a provision of Rs 1,200,200 was made in the financial statements. During the year under review, the Association entered into a Deposit Retention Agreement dated 10 September 2021 with BanyanTree Bank Limited (Now known as Silver Bank Limited) where out of the total amount of Rs 2,275,460, an amount of Rs 1,344,131 was retained as fixed deposit, with maturity date of 36 months as from 10 September 2021, and the remaining balance transferred to cash and cash equivalents. Additionally, the provision of Rs 1,200,000 previously made in respect of the deposits was reversed in these financial statements.

Notes to the accounts For the year ended 30 June 2022

9. Sundry creditors and contribution prepaid

	2022 Rs	2021 Rs
Contribution prepaid	3,264,799	3,092,332
Management fees payable	1,954,548	2,023,488
Marketing fees payable	596,492	608,373
Sundry creditors	369,886	740,570
Provision for referral fees	2,531,169	1,077,984
Accruals	339,544	2,008,393
	9,056,438	9,551,140

In the prior financial years, a provision for legal fees was made in the financial statements in respect of court case between Association of Private Health Plans and Administrators (APHPA) and Competition Commission of Mauritius. As per Audit and Corporate Governance committee meeting dated 08 June 2022, the case was closed, and the Association has been exempted from payment of any legal fees. Therefore, the provision of Rs 1,738,183 was written back in these financial statements.

10. Outstanding claims payable

	2022 Rs	2021 Rs
Outstanding claims payable	26,636,547	14,563,092

Outstanding claims payable pertain to claims received during the financial year from the beneficiaries which are yet to be settled by the Association as at 30 June 2022.

11. Incurred But Not Yet Reported ("IBNR") claims

	2022 Rs	2021 Rs
IBNR	14,021,963	11,214,681

IBNR claims relate to an estimate for all claims which have been incurred during the financial year ended 30 June 2022, but which have not yet been reported to the Association as at the reporting date. The IBNR claims have been determined by a qualified actuarial analyst using the Aon Hewitt Model and the amount of Rs 14,021,963 (2021: Rs 11,214,681) was reported as at 30 June 2022. The Members concluded that the reported figure represents the best estimate of any potential liability for such obligations.

Notes to the accounts For the year ended 30 June 2022

12. Leases

During the prior financial year, the Association entered into a lease agreement with Ramnath Jeetah Trust dated 20 January 2020, with effective date being 01 February 2020, to lease an office space.

Right-of-use asset and lease liabilities are presented in the statement of assets and liabilities as follows:

	2022 Rs	2021 Rs
Right-of-use asset		
At cost	740,965	1,027,158
Depreciation charge	(286,194)	(286,193)
Net book value	454,771	740,965
Lease liabilities		
At start	849,875	1,091,287
Interest expense	38,052	49,108
Lease payments	(325,163)	(290,520)
At end	562,764	849,875
Lease liabilities		
- Non-current	198,009	528,927
- Current	364,755	320,948
	562,764	849,875

Amounts recognised in the income and expenditure account.

	2022 Rs	2021 Rs
Depreciation charge of right-of-use asset	286,194	286,193
Interest expense	38,052	49,108

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Association. Lease liability is measured by remaining lease payments, discounted using a discount rate based on the Association's incremental borrowing rate at the date of initial application. The right-of-use asset is measured at the amount of lease liability, adjusted by the amount of any previously recognised prepaid or accrued lease payments relating to that lease. Each lease payment is allocated between the liability and the interest expense. The interest expense is charged to income and expenditure over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and lease term on a straight-line basis.

Notes to the accounts For the year ended 30 June 2022

12. Leases (Contd)

The Association's lease arrangement includes rental of an office space. The remaining period of the lease contract is three years as from 30 June 2022.

Future minimum lease payments were as follows:

	Within 1 year Rs	1-2 years Rs	TOTAL Rs
30 June 2022			
Lease payments	388,557	206,920	595,477
Finance charges	(23,802)	(8,911)	(32,713)
Net present values	364,755	198,009	562,764

	Within 1 year Rs	1-2 years Rs	2-3 years Rs	TOTAL Rs
30 June 2021				
Lease payments	359,000	354,720	206,920	920,640
Finance charges	(38,052)	(23,802)	(8,911)	(70,765)
Net present values	320,948	330,918	198,009	849,875

13. Gross subscriptions

	2022 Rs	2021 Rs
Gross subscriptions	426,847,659	409,792,398

Gross subscriptions relate to total premiums collected from the policy holders of the Association.

14. Gross claims

	2022 Rs	2021 Rs
Gross claims	358,118,885	352,328,016

Gross claims represent the total claims paid to the policy holders of the Association.

Notes to the accounts For the year ended 30 June 2022

15. Re-Insurance subscriptions and claims

15.1 Net premium received

The premiums received and claims settled in respect of catastrophe covers during the year are as follows:

	2022 Rs	2021 Rs
Re-Insurance subscriptions	134,098,769	121,418,640
Re-Insurance claims	(124,622,728)	(105,058,302)
	9,476,041	16,360,338

15.2 Gain/(loss) on re-insurance

The net impact on reinsurance of catastrophe covers with Eagle Insurance Limited during the year is as follows:

	2022 Rs	2021 Rs
Re-Insurance premiums received	135,067,749	119,931,677
Re-Insured costs	(134,098,769)	(121,418,640)
	968,980	(1,486,963)

15.3 Amount payable to reinsurer

	2022 Rs	2021 Rs
Eagle Insurance Limited	11,668,789	12,350,272

During the prior financial year ended 30 June 2020, the Association entered into a reinsurance agreement with Eagle Insurance Limited which has been renewed with effective date up till 30 September 2022. As at reporting date, an amount of Rs 11,668,789 was due to the reinsurer.

16. Management fees

	2022 Rs	2021 Rs
Management fees	24,550,850	24,393,510

As per the Administration Agreement entered between Medscheme and the Association dated 19 March 2019, the management fee is computed on a fixed charge per number of active members as at date of closure of operations each month. The Administration Agreement stated the fixed fee for the upcoming 4 financial years. For the year ended 30 June 2022, a fixed fee of Rs 95 (2021: Rs 90) was charged per active member.

Notes to the accounts For the year ended 30 June 2022

17. Referral fees

	2022 Rs	2021 Rs
Referral fees	3,713,443	6,207,729

Referral fees pertains to expenses incurred in respect to the brokers of the Association. The fee structure for referral services is 7% on annual premiums on businesses referred to the Association, payable either on a monthly or a quarterly basis.

18. Marketing fees

	2022 Rs	2021 Rs
Marketing fees	2,392,441	2,641,946

The fee structure for the marketing services to Business Mauritius is 0.5% of the annual contribution and a per-beneficiary fee of Rs 20 per annum (2021: Rs 20), with a minimum of Rs 500,000 (2021: Rs 500,000) annually, settled by the Association on a quarterly basis.

19. Reconciliation of liabilities arising from financing activities

Net debt reconciliation:

Net debt	2022 Rs	2021 Rs
Lease liabilities		
- Repayable within one year	364,755	320,948
- Repayable after one year	198,009	528,927
	562,764	849,875


Notes to the accounts For the year ended 30 June 2022

19. Reconciliation of liabilities arising from financing activities (Contd)

	Long-term Lease liabilities 2022 Rs	Short-term 2022 Rs	Total 2022 Rs
Net debt as at start of the year	528,927	320,948	849,875
Cash flows:			
- Repayment of lease liabilities	-	(325,163)	(325,163)
Non-cash:			
- Interest expense	38,052	-	38,052
- Reclassification	(202,224)	202,224	-
Net debt as at end of the year	364,755	198,009	562,764

	Long-term Lease liabilities 2021 Rs	Short-term 2021 Rs	Total 2021 Rs
Net debt as at start of the year	845,595	245,692	1,091,287
Cash flows:			
- Repayment of lease liabilities	-	(290,520)	(290,520)
Non-cash:			
- Interest expense	-	49,108	49,108
- Reclassification	(316,668)	316,668	-
Net debt as at end of the year	528,927	320,948	849,875



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