



**Driving Excellence in
Sustainable Healthcare
Management**

Together, we are building a healthier tomorrow for all.

BUSINESS MAURITIUS PROVIDENT ASSOCIATION

**ANNUAL
REPORT
2023 /**

24

Our Mission

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

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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BUSINESS MAURITIUS
PROVIDENT ASSOCIATION

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...the BMPA has navigated the shifting healthcare landscape with notable resilience. We have adopted strategic measures to fortify our position and ensure our sustainability.

President's Message

Dear Members

It is with great pleasure that I present to you the Annual Report and Audited Financial Statements for the fiscal year 2023-2024. This year's report, introduced in a refreshed format, aims to provide valuable insights into our financial standing and recap the array of activities undertaken during the past year.

In a year marked by persistent inflationary pressures, the *BMPA* has navigated the shifting healthcare landscape with notable resilience. We have adopted strategic measures to fortify our position and ensure our sustainability. I am proud to report significant progress as a result of these efforts, spearheaded by our proactive Managing Committee. Our primary goal remains to uphold the resilience and sustainability of our Association.

Financial Performance & Results

This year, despite a reduction in the number of claims refunded, we witnessed an increase in the total claims paid—from MUR 391 million to MUR 416 million. This reflects the escalating costs of healthcare, influenced by rising Consumer Price Index, increased medical fees and treatment expenses. These trends highlight the ongoing challenges we face and our commitment to addressing them.

Effective Risk Management

Our robust risk management strategies have been crucial in maintaining the viability and stability of the *MoSanté* health plan. Through strategic adjustments in contribution rates, innovative investment strategies and member education, we have enhanced our capability to navigate these challenges effectively.

Increased Contribution Rates

After thorough deliberations with our stakeholders and experts, we adjusted our contribution rates to align with the increased healthcare expenses, leading to a rise in gross contributions from MUR 398 million in 2022-2023 to MUR 432 million in 2023-2024. This strategic adjustment is vital for maintaining our financial health and continuing to offer comprehensive coverage to our members.

New Investment Strategies

Our commitment to refining our investment approach has yielded fruitful results. By adopting innovative strategies, we have maximised returns and reinforced our financial sustainability. Notably, the *BMPA's* total assets for the investment portfolio grew to approximately MUR 136 million as of 30 June 2024.

Our robust risk management strategies have been crucial in maintaining the viability and stability of the MoSanté health plan..

Diversified Portfolio

We have implemented key strategies such as allocating more funds to local corporate bonds and fixed deposits and investing in shares of *Emtel Ltd* to diversify our portfolio. Our asset allocation is well-balanced, significantly supporting our financial stability and our capacity to meet the escalating healthcare costs.

Member Education & Engagement

This past year has seen a significant increase in member interaction, with enhancements to the *MoSanté App* and the rollout of new features enhancing our members' experiences. Our communication efforts have not only increased engagement but also deepened our connection with the community, evident from a 7.96% increase in our email campaign click rates and a 10% decrease in unsubscribe rates.

Shared Responsibility & Effort

As a non-profit Provident Association, we encourage our members to claim responsibly, supporting our shared goal of maintaining affordable rates. The sustainability of our Association depends on our collective effort. Together, we can forge a healthier future.

I extend my deepest gratitude to the Managing Committee Members, the Business Mauritius Team and our esteemed partners for their unwavering support and dedication. As we look forward, we remain committed to providing the comprehensive coverage our members need and to continuing our innovations to stay ahead in a dynamic healthcare environment.

Thank you for your continuous support and commitment.

Sincerely
Clément Cartier
President



An Overview



About the BMPA

The *Business Mauritius Provident Association (BMPA)*, a non-profit organisation was set up in 1982 to serve the local business community by providing affordable and flexible health covers to companies so that their employees can have access to private healthcare.

In this regard, the *BMPA* designed the *MoSanté* health plan which is available to all companies which are members of *Business Mauritius*.

Lifetime Care

The *BMPA's* primary mission is to provide lifetime care to *MoSanté* members, from babies to seniors, and contribute to their peace of mind. The *MoSanté* health plan is constantly enhanced with unique and innovative product features to exceed the needs and expectations of members.



Added Value

Over the past decade, the *BMPA* has been committed to reinvesting its profits in value-added services, while continuously supporting *MoSanté* members in improving their health and well-being as well as ensuring that they have the best possible access to quality health care.



Efficiency in *Risk Management*

Ensuring the Ongoing
Sustainability of the Association.

Managing 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
Senior HR/ Project Manager
Southern Cross Tourist
Company Ltd



**Mrs Naveena
DHANOOPA**

Member
Industrial Relations Officer
Business Mauritius



**Mr Dhiruj
RAMLUGGUN**

Member
Head of Social Capital
Business Mauritius



**Mrs Mary Jennifer Wang
AH FAT**

Member
Director
Pasteur Pharmaceuticals Ltd

Governance

Managing Committee

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

The Managing Committee has approved the following key governance documents:



Board Charter

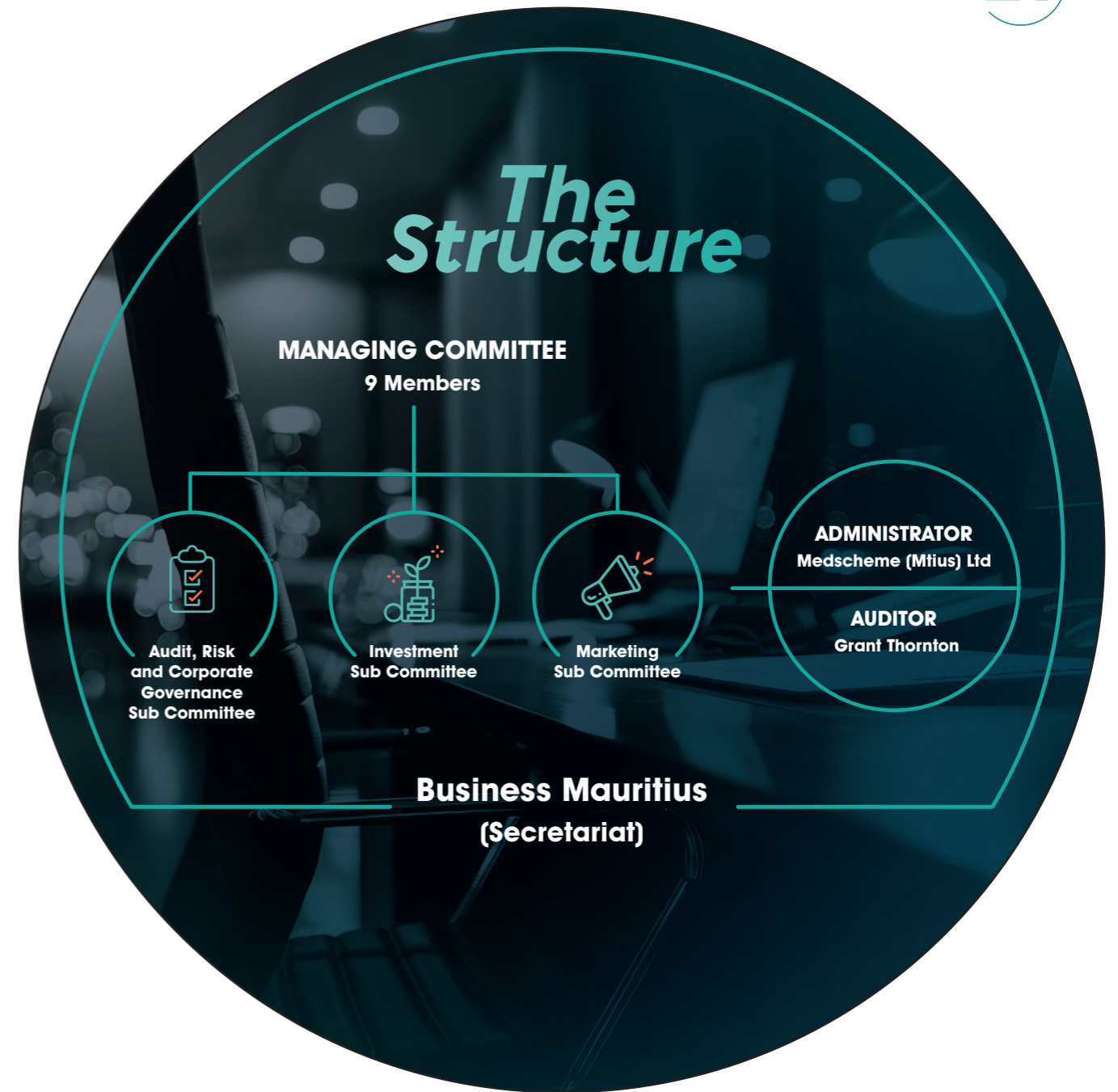


Sub Committees' Charters



Code of Conduct for Managing Committee Members

The Managing Committee retains ultimate responsibility for the Association, even when delegating certain functions to internal staff and external service providers. During the year 2023/24, there were sixteen (16) Managing Committee meetings. Sub Committees have been established to assist the Managing Committee in its roles and responsibilities and to enhance its efficacy.



Every four (4) years, a new Managing Committee is elected. The Managing Committee has established the following Sub 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 Managing Committee, and is reviewed as and when required.

Audit, Risk and Corporate Governance Sub Committee

The Audit, Risk and Corporate Governance Sub Committee assists the Managing 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 Sub Committee is chaired by **Mr Ange Dominique BAUDA** and the Sub Committee is composed of the following members:

Mr Ballakrishna APPADU
Vice President

Mrs Sandhya MAKHAN
Secretary

Mr Dhiruj RAMLUGGUN
Member

Mrs Naveena DHANOOPA
Member

The Audit, Risk and Corporate Governance Sub Committee met once 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 Sub 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 Sub Committee is chaired by **Mrs Myrna AREKION** and composed of the following members:

Mr Ballakrishna APPADU
Vice President

Mr Dhiruj RAMLUGGUN
Member

Mr Ange Dominique BAUDA
Member

The Investment Sub Committee met three (3) times during the year.

Marketing Sub Committee

The Marketing Committee sets the vision for and manages the overall marketing strategy of the *BMPA*.

- Work with the Business Mauritius (Secretariat) to define the short-term, medium and long-term marketing needs.
- Contribute to and review the marketing plan to ensure progress towards annual and long-range goals.
- Collaborate closely with the Communication agency (SmartComs) to execute the set strategies.

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

Mr Clément CARTIER
President

Mr Ballakrishna APPADU
Vice President

Mrs Mary Jennifer WANG AH FAT
Member

The Marketing Sub Committee met once during the year.

Key Figures 2023/2024

CORPORATE MEMBERS

666

656 in 2022/23

CLAIMS PAID AMOUNT (MUR)

416M

391mln in 2022/23

BENEFICIARIES

19,322

17,786 in 2022/23

GROSS CONTRIBUTION (MUR)

432M

398mln in 2022/23

CLAIMS REFUNDED

58,557

58,978 in 2022/23

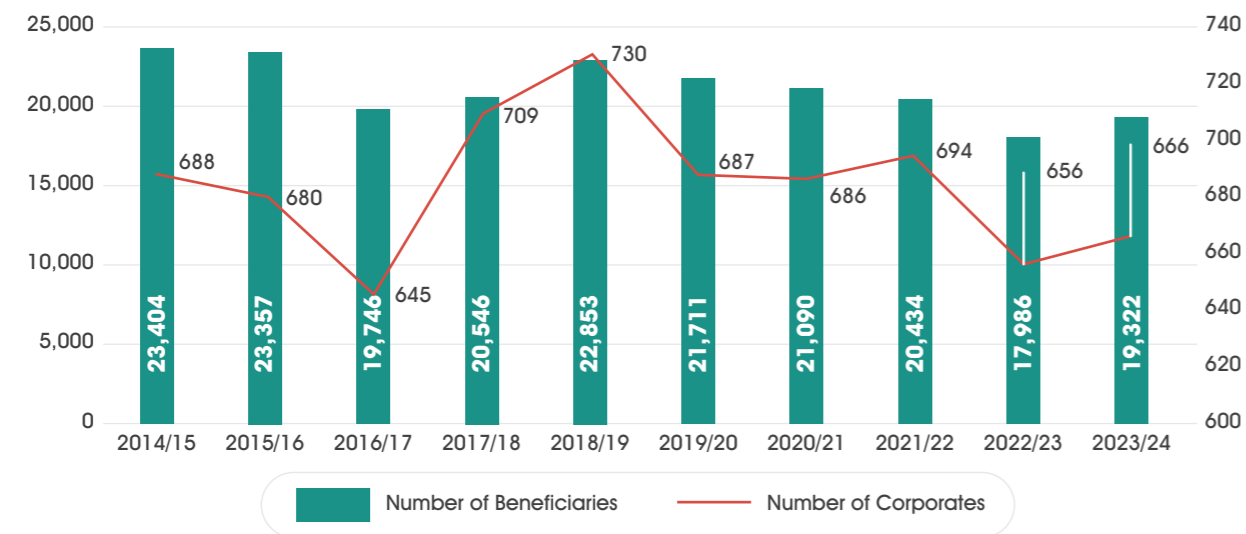
OPERATION EXPENSES (MUR)

37M

33mln in 2022/23

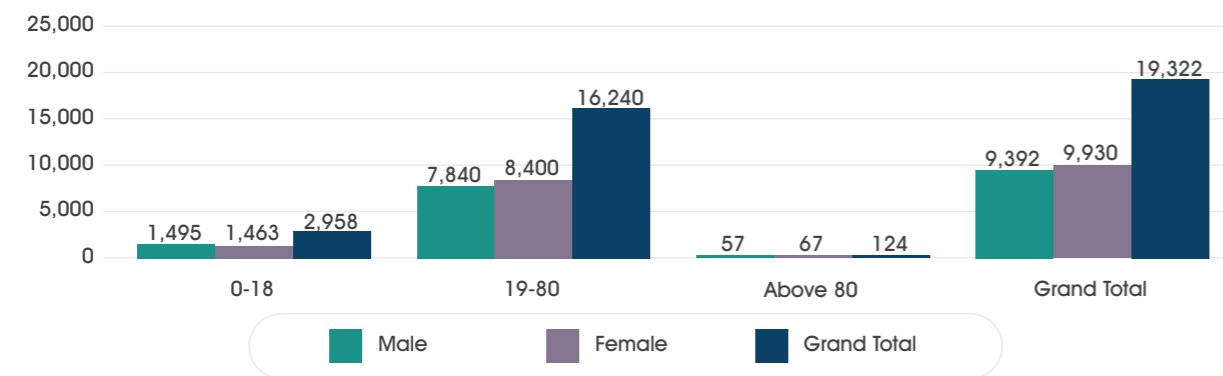
Scheme Performance

Membership Trend



In 2023/2024, there was an increase in membership, attributed to the number of new Corporate Members that joined MoSanité during this period.

Membership by Age Group

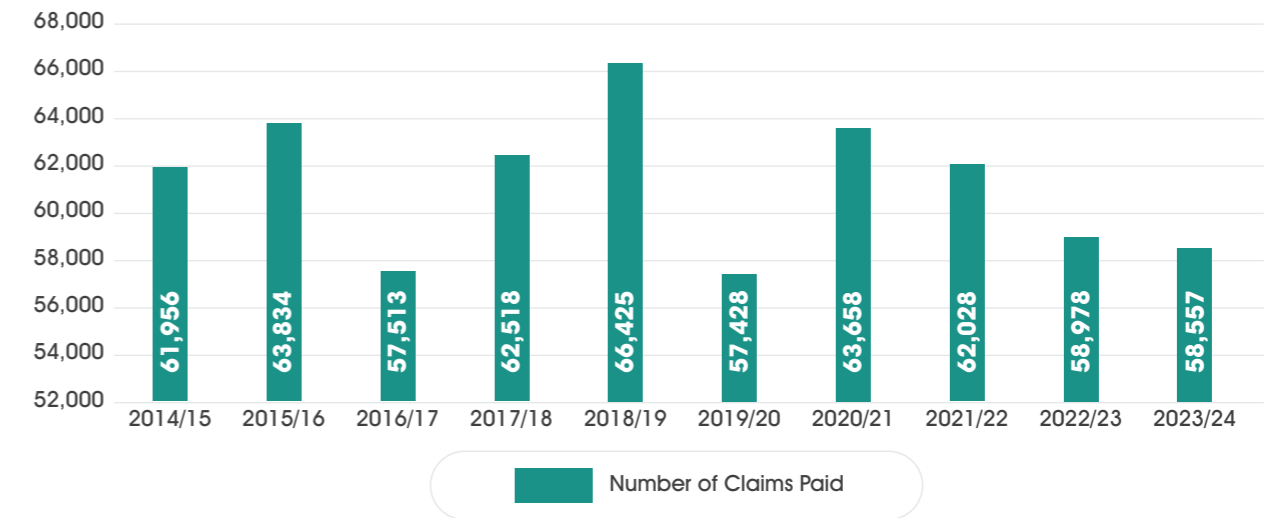


The female-to-male ratio is 1.06.

The female population exceeds the male population in all age groups.

The total number of females is 9,930 whereas the total number of males is 9,392.

No. of Claims Refunded

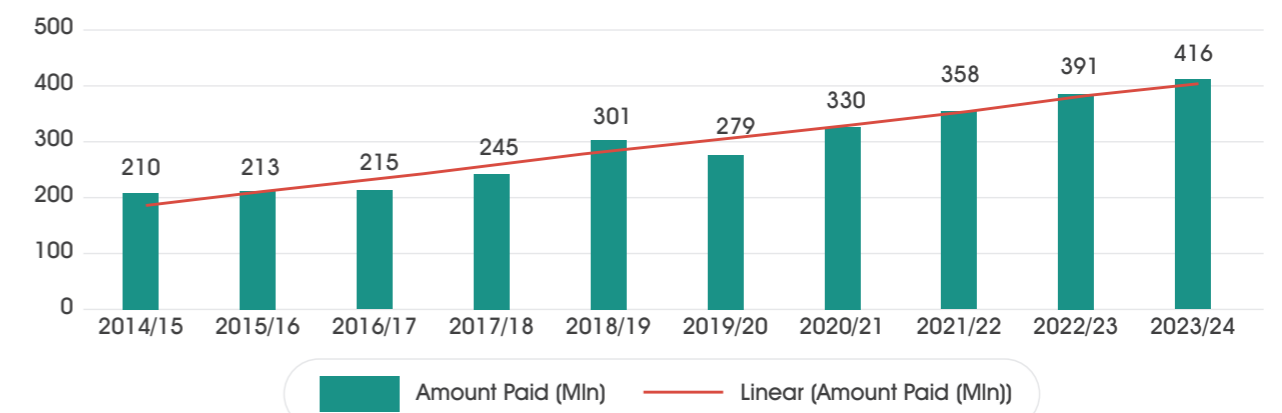


The average number of claims paid over the last 10 years is 62,000.

There have not been any major changes or patterns in claim submissions.

Additionally, while the number of claims refunded has decreased in 2023/2024, the amount refunded has increased, indicating an inflation in medical costs.

Claims Paid Amount (MUR)



For the last three years, we noted an average increase in claims reimbursement by MUR 28mln.

Some explanations for the increasing trend in claims are:

1. CPI (Health inflation)
2. Ageing population
3. Low rate of child dependants (Approx. 15% of membership are child under 18 years old)
4. Increase in doctors' fees and cost of treatment

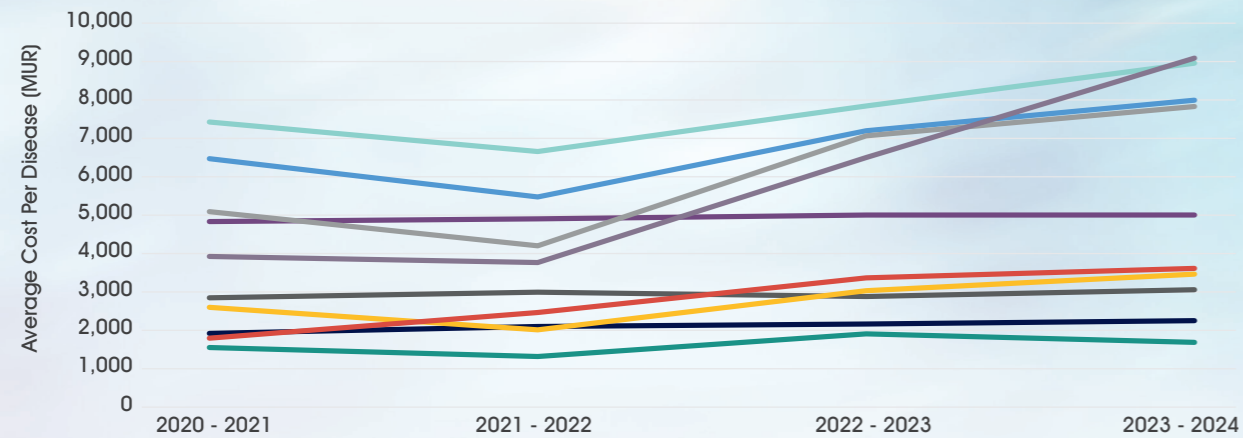
Rising Healthcare Costs

Mosanté's Perspective

A comprehensive trend analysis has been undertaken by *MoSanté* to examine the impact of rising medical costs over the last 4 years, focusing on the Top 10 Diseases most frequently claimed by our members.

We are pleased to share this analysis with you, providing insights into the evolving healthcare landscape and its direct implications on the scheme. Despite these challenges, we have successfully managed and sustained the *MoSanté* health plan, ensuring that we continue to protect our members during difficult times. Our collective efforts allow us to maintain financial stability and focus on what truly matters: our health and well-being and that of our loved ones.

Trend Analysis: Average Cost Per Top 10 Diseases 2020 - 2024



	2020 - 2021	2021 - 2022	2022 - 2023	2023 - 2024
Low back pain	3,936	3,777	6,514	9,106
Acute Respiratory Infection	1,806	2,475	3,378	3,625
Abdominal pain	5,104	4,213	7,080	7,845
Essential Hypertension	2,610	2,023	3,043	3,475
Acute bronchitis	6,485	5,487	7,212	8,009
Viral intestinal infection	7,440	6,671	7,858	8,974
Supervision of normal pregnancy	1,931	2,111	2,175	2,263
Acute Pharyngitis	1,563	1,328	1,918	1,697
Dental examination	2,858	3,005	2,892	3,069
Optical treatment	4,845	4,916	5,016	5,016

Increase in Average Cost Per Top 10 Diseases (2024 vs 2020)

Top 10 Most Recurrent Diseases	Increase (MUR) 2024 vs 2020	Increase (%) 2024 vs 2020
Low back pain	5,170	131%
Acute Respiratory Infection	1,819	101%
Abdominal pain	2,741	54%
Essential Hypertension	865	33%
Acute bronchitis	1,524	24%
Viral intestinal infection	1,534	21%
Supervision of normal pregnancy	332	17%
Acute Pharyngitis	134	9%
Dental examination	211	7%
Optical treatment	171	4%

Education on *Services & Features*

Elevating the Member Experience
with Added Value.

Year in Review

Significant Activities & Events

Highlights of our 41st Annual General Meeting

*Reflecting on Success.
Preparing for the Future.*

The BMPA has successfully held its 41st Annual General Meeting (AGM) on 06 September 2023 at 14 00 at Hennessy Park Hotel, Ebène.

The agenda for the AGM was as follows:

1. Consider the President's Report
2. Confirm the Minutes of the 40th Annual General Meeting held on Friday 23 September 2022
3. To receive and approve the financial statements for the year ended 30 June 2023
4. To approve the estimate of receipts and expenditure for the current accounting period 2023-2024
5. To appoint the Auditor
6. Any other business

The event provided a valuable platform to reflect on the achievements of the past year regarding the MoSanté health plan.



The President of the BMPA, Clément Cartier delivered an insightful speech that outlined the BMPA's strategic vision and he also discussed the challenges that the Association has overcome as well as opportunities that lie ahead.

The BMPA extends its gratitude to all members who were present during the AGM which was a key moment of sharing and collaboration.

End of Year Get Together

*Thanking Our Partners.
Celebrating Collaboration.*

The BMPA hosted its annual End of Year dinner on Friday, 01 December 2023, at the exquisite Preskil Island Resort in Pointe Jérôme, Mahébourg.

The event was a heartfelt gesture to recognise and thank all partners for their dedication, hard work and support throughout the year.

The evening provided a unique opportunity for partners to connect with the Managing Committee team in a casual setting, fostering relationships that are often difficult to build during more formal meetings.

It was also a testament to the BMPA's commitment to building strong, lasting relationships with its partners, ensuring that everyone felt appreciated and valued. Overall, it was a memorable evening that highlighted the importance of collaboration and camaraderie within the BMPA community.

Strategic Brainstorming for Enhanced Medical Benefits

Evaluating Achievements. Innovating for Tomorrow.

HLB Corporate Services (Mauritius) Ltd was engaged by the BMPA to moderate a pivotal brainstorming session on 15 March 2024, at Voilà Hotel, Bagatelle.

Bringing together key stakeholders to discuss the future of the MoSanté health plan, this session focused on analysing the current fund performance, member feedback and industry benchmarks to identify areas for improvement and innovation. Participants explored strategies to enhance member contributions, expand coverage, incorporate preventive care benefits and ensure the fund's long-term viability.

The collaborative effort resulted in actionable insights and a comprehensive plan to address rising medical costs while maintaining high-quality healthcare services. This initiative underscores MoSanté's commitment to continuously improving its offerings and ensuring sustainable, member-focused healthcare benefits.

Advanced Risk Management Strategies Harnessing Expertise. Ensuring Sustainability.

During the brainstorming session, Medscheme (Mtius) Ltd, the Administrator of MoSanté, and its esteemed parent company, Medscheme Holdings (PTY) Ltd, based in South Africa, presented invaluable insights and strategies pertaining to risk management.

By harnessing the expertise and time-tested practices of Medscheme in South Africa, the BMPA is poised to implement innovative and effective risk management strategies. This collaboration ensures that the BMPA can introduce bespoke solutions tailored for Mauritius, providing a competitive edge and enhancing the management of the claim performance of MoSanté.

These endeavours are designed to ensure the enduring viability of MoSanté, ultimately benefiting all members. Through relentless improvement and strategic alliances, the BMPA remains steadfast in its commitment to delivering sustainable healthcare solutions.

Opportunities for MoSanté through Collaboration with Medscheme in South Africa

- Product Diversification
- Technological Advancement
- Changing Lifestyle towards Preventive Care

Actionable Insights & Comprehensive Plan
Brainstorming Report



Increase in Membership

Leverage on the corporate member base of *Business Mauritius* to attract and increase membership level.



New Technologies

Use data-driven approaches and advanced analytics for better care coordination and value measurement.



Strategic Partnerships

Improve competitiveness by partnering with local and international service providers, insurance brokers, agents and employer benefits marketplaces to align with strategic goals.



Product Offerings

Differentiate types of covers and limits based on client profiles, such as age groups, income levels and pre-existing conditions.



Innovative Models

Introduce models like telemedicine, virtual care, personalised health coaching, organising employer health fairs and wellness programmes to adapt to changing customer needs and healthcare landscapes.



Education of Members

Enhance member education on online portals and mobile applications through interactive tutorials, video webinars, knowledge bases and customer support resources.



Pricing Strategy Optimisation

Assess strategies to address rising medical costs, including but not limited to introducing tiered contribution rates.



Marketing Resource Commitment

Assess the website and promotional materials as well as develop quarterly marketing reports, conduct exit interviews and explore new communication tools such as interactive health assessments, online registration platforms and referral programmes.



Digitisation of Processes

Utilise the latest technology to develop a service blueprint, including but not limited to an interactive registration process, customised plan recommendations and telehealth integration. These steps will ensure a seamless and efficient experience for customers.

The *BMPA's* Managing Committee, in collaboration with its esteemed partners and stakeholders, is dedicated to advancing the strategic plan recommended by *HLB Corporate Services (Mauritius) Ltd.* They pledge to keep all members meticulously informed of the progress, ensuring transparency and engagement throughout the process.

Member Engagement Initiatives

New App Features and Expanded PayLess Service Network

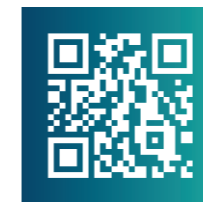
Enhancing a Seamless Member Experience

The *MoSanté* App was developed to provide real-time information to members about their medical cover. The latest version of our mobile app which was released in August 2023 includes the following key updates:

- List of PayLess Service Providers
- Claims History Download
- Queries/ Complaints Submission
- Frequently Asked Questions (FAQs)

With these innovative features, *MoSanté* is always aiming to make the member experience on the *MoSanté* App more enjoyable, convenient and rewarding - the best it can be!

Download the latest version of *MoSanté* App here:



Promising Stats on Mosanté App :

Over **10,000+** Downloads on Google Play

Ranked **#36** in "Health & Fitness" on App Store

85% of claims are uploaded via the **Snap & Send** feature



PayLess Service

More Participating Providers

The *PayLess Service* has been extended to participating laboratories this year. *MoSanté* members can now enjoy a hassle-free experience when settling their bills at Abiolabs or their nearest C-Lab Medical Laboratory.

How does the PayLess Service work?

Members only need to present their physical or E-Membership Card and they will pay just the 20% excess as per the limit of their Merged Benefits cover.

With the *PayLess Service*, they do not need to pay the full amount upfront at the service provider and then wait for their claim refund. The remaining balance is instantly covered and we handle the rest.



Scan the QR Code to discover the full list of Participating Providers.

Guide on Clinic Admissions & Overseas Treatment

Enhancing a Smooth Clinic Process

Our detailed guide related to local & overseas clinic admissions was published in November 2023 and it covers everything that *MoSanté* members need to know such as:

- Procedures for Local Clinic Admissions
- What is covered for Overseas Treatment
- Supporting Documents to be sent to Medscheme
- The Admission Checklist for Members
- How to access the E-Membership Card on "MoSanté App"

MoSanté is committed to ensuring a smooth clinic experience for its members through this useful and informative guide.



Scan the QR Code to download the Guide.

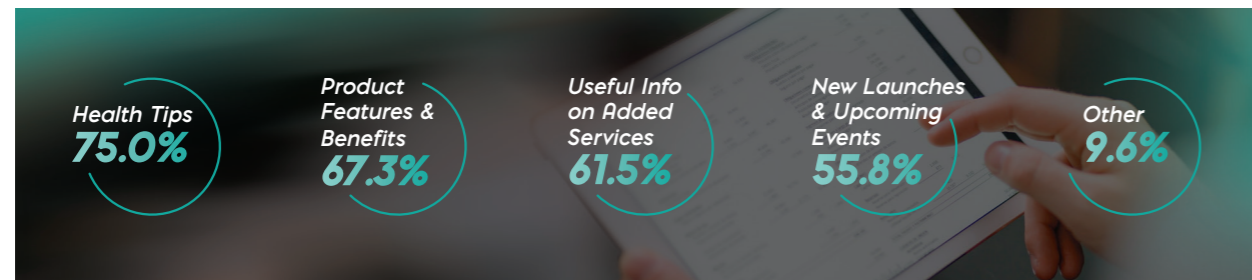


Your Feedback, Our Commitment

Tailoring our Content to Better Serve You

In our continuous effort to serve *MoSanté* members even better, we conducted a brief survey in March 2024 to help us tailor our email content. Here are the results of the survey:

What information would you like to see regularly in our emails?



The survey results confirm that our content creation is on the right track. We will continue to share information pertaining to health tips followed by product features & benefits. Our aim is to consistently provide useful information such as doctors' articles and educate members on how to manage their medical benefits.

We thank all members for their invaluable feedback and participation in the survey.

Sustained Communication Efforts

Inspiring Results & Positive Outcomes

Towards the end of 2021, we embarked on a comprehensive communication strategy aimed at ensuring continuous engagement with *MoSanté* members. Through a multifaceted approach that includes weekly LinkedIn and Facebook posts, monthly emailers and quarterly e-newsletters, we have successfully cultivated a dynamic and interactive relationship with our audience.

This strategy has not only kept our members informed but has also significantly increased engagement year on year.

Email Campaign Performance: Explore Key Metrics & Our Insights!

Subscriber Growth:

- +1,575 New Email Contacts
- -10.00% Unsubscribe Rate

The addition of new subscribers coupled with a decrease in members who have opted out of our emails highlights a significant and growing interest in *MoSanté's* content and services. This reflects our successful efforts to engage and attract a wider audience.

Increased Engagement:

- + 3.25% Average Open Rate
- + 7.96% Average Click Trend

An increase in the number of subscribers who opened our emails and in clicks suggests that *MoSanté* members are becoming more engaged and interested in our content. This demonstrates our ability to captivate and maintain our audience's attention.

Improved Delivery:

- - 4.24% Hard Bounce* Rate
- - 4.35% Soft Bounce** Rate



The decrease in bounce rates is a key indication that our mailing lists are well-maintained and updated regularly. This ensures that our emails reach valid and active addresses, enhancing overall deliverability and engagement.

*Hard Bounce - A permanent failure to deliver an email, often due to invalid addresses or blocked servers.

**Soft Bounce - A temporary failure to deliver an email, usually due to issues like a full mailbox or server problems.

Based on the provided statistics, *MoSanté's* email campaigns have shown significant positive trends over the period July 2023 to June 2024.

Overall, these metrics reflect a successful year for *MoSanté's* email campaigns, with enhanced engagement and improved email deliverability. This implies that the content is resonating well with the audience and that the mailing lists are effectively managed.

Follow *MoSanté* for Latest Updates:



Engagement with *Our Members*

Empowering You to Manage
Your Health Plan Benefits.

Investment Strategies For *Maximum Returns*

New Approaches and Future Outlook at a Glance

In addition to its robust risk management and member education initiatives, the *BMPA* is committed to ensuring that its investment strategies are continuously evolving to maximise returns.

New Investment Strategies



Increased Allocation to Local Corporate Bonds and Fixed Deposits

The *BMPA* further invested in local corporate bonds and fixed deposits, enhancing the stability and returns of the portfolio.

Emtel Ltd Shares Acquired

The *BMPA* allocated MUR 2mIn to acquire shares in Emtel Ltd, drawn by the appealing dividend yield and the chance to further diversify its investment portfolio.



Remarks by Investors

Investment Objective & Strategy

Objective

- Set up in 1982, the *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 mainly lower 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

- The *BMPA* invests mainly 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.

Asset Allocation

As at end-June 2024, the asset allocation of the *BMPA* relative to its strategic asset allocation and permitted ranges, as outlined in its Investment Policy Statement (IPS) was as follows:

Asset	Current Allocation (Jun-24)	Target Allocation	Permitted Variance
Cash	14.7%	5%	0%-10%
Short Term Local Fixed Income	7.4%	25%	15%-35%
Medium Term and Long Term Local Fixed Income	49.5%	50%	45%-65%
Local Equities and Mutual Funds	12.8%	5%	0%-15%
Foreign Equities and ETFs	11.9%	10%	5%-20%
Foreign Fixed Income	3.6%	5%	0%-10%
Total	100.0%	100.0%	

Note:

1. Short-term local fixed income instruments relate to local fixed income securities of maturity of 12 months or less, while medium-term and long-term local fixed income instruments relate to fixed income securities of maturity exceeding 1 year but less than 10 years as well as fixed income funds.

2. The above asset split as of end-June 2024 is based on the figures shared by the *BMPA*.

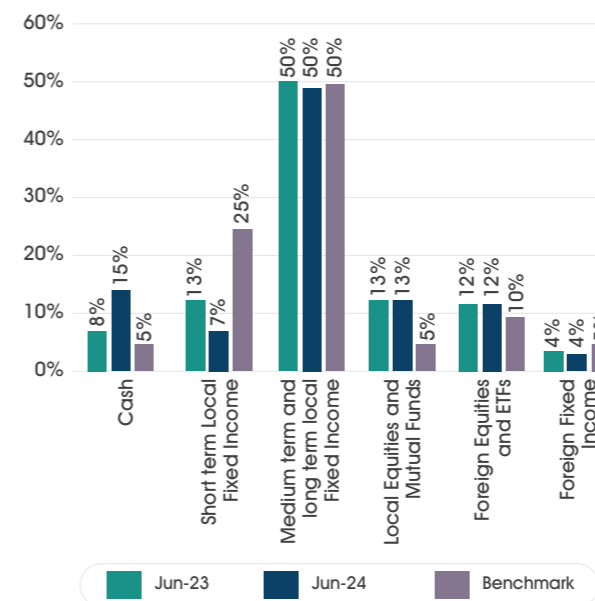
The *BMPA's* total assets for the investment portfolio amounted to around MUR 136mln as at 30 June 2024, up from MUR 128.7mln as at end of the previous financial year.

As at end-June 2024, the majority of the investment portfolio (around 75%) was in matching assets (represented by fixed income instruments and cash and which are considered to be of lower risk). The remaining 25% was invested in growth assets (represented by equities and structured products, which are usually of higher risk).

The top 5 holdings listed below represented around 49% of the investment portfolio as at end-June 2024.

Instrument/Fund	% of Investment Portfolio
1 SBM Perpetual Fund	12.9%
2 Britannic Opportunities Limited (Structured Product which gives exposure to foreign equities, but with capital protection at maturity)	12.3%
3 Bank One Fixed Deposit	8.6%
4 CIM Financial Services Ltd Notes	8.6%
5 Spice Finance Ltd Fixed Deposit	6.1%

Evolution during the financial year 2023/2024



The *BMPA* invested further in local corporate bonds and fixed deposits during the financial year under review. Certain local corporate bonds and term deposits with local institutions matured over the same period. Post financial year end, the Association invested MUR 2mln in shares of Emtel Ltd, given the attractive dividend yield and opportunity to further diversify the investment portfolio.

Surplus cash available for new investments stood at MUR 20mln as at end-June 2024. The *BMPA* continues to actively seek new opportunities deemed attractive for its investment portfolio.

Market Review

2023 was marked by tumultuous events and unforeseen challenges. It had its fair share of highs and lows. Technology stocks rebounded sharply in 2023, with the "Magnificent 7" mega-cap technology stocks taking the lead. The first half of 2024 witnessed continued enthusiasm in Artificial Intelligence (AI) stocks, driven by easing inflation and growing optimism amid future interest rate cuts by Central Banks. Foreign equity markets posted gains for the financial year ended June 2024. The MSCI All Country World Index rose by 23.6%, in MUR terms over the same period.

Foreign Bonds also performed well and yields (as represented by the Bloomberg Global Aggregate Total Return Index) rose by 4.5%, in MUR terms over the year under review.

On the local stock market, the Total Return Index, SEMTRI generated 12.7% over the financial year. The Price Earnings Ratio and the Dividend Yield of the Official Market stood at 6.7 times and 4.3% respectively as at end-June 2024.

Local Treasury yields fell during the financial year, resulting in a rise in local bond prices which are marked-to-market. The year-on-year inflation stood at 2.2% in June 2024.

Outlook

The *BMPA* remains committed to holding a fairly diversified investment portfolio of both local and foreign assets. As highlighted in the Investment Policy Statement, focus will however be on investing in relatively liquid and lower risk instruments with a short to medium term horizon.

Going forward, the Managing Committee will also incorporate environmental, social, and governance (ESG) factors into the investment decision-making process whenever there is an opportunity to do so. Whenever possible, preference will be given to ESG related investments that satisfy the Association's financial objectives and risk tolerance.

Aon Solutions Ltd
Actuary



Excellence in *Financial Reporting*

Establishing Trust Through Accurate
Evaluation & Transparency.

Financial *Statements*

BUSINESS MAURITIUS
PROVIDENT ASSOCIATION

ANNUAL
REPORT
2023 /

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Statement of assets and liabilities as at 30 June

	Notes	2024 Rs	2023 Rs
ASSETS			
Plant and equipment	2	-	-
Contribution receivable	3	24,133,108	19,317,412
Sundry debtors and prepayments	4	2,057,345	646,217
Financial assets at fair value through other comprehensive income	6	62,845,350	50,955,845
Financial assets at amortised cost	7	39,681,600	54,816,449
Other financial assets	8	13,483,065	13,705,798
Cash and cash equivalents	5	54,320,416	41,516,658
Net amount receivable from reinsurers	15.3	2,888,453	19,821,854
Right-of-use asset	12	-	-
TOTAL ASSETS		199,419,337	200,780,233
LIABILITIES			
Sundry creditors and contribution prepaid	9	11,418,426	9,660,444
Outstanding claims payable	10	22,905,514	25,085,987
Incurred But Not Yet Reported ("IBNR") claims	11	13,690,973	13,873,979
Net amount payable to reinsurers	15.3	-	-
Lease liabilities	12	-	-
TOTAL LIABILITIES		48,014,913	48,620,410
ACCUMULATED FUND			
Accumulated surplus		145,240,367	123,961,089
(Deficit)/surplus for the year		(2,529,055)	21,279,278
Fair value reserves	6(iii)	8,693,112	6,919,456
TOTAL ACCUMULATED FUND		151,404,424	152,159,823

Chairman: 

Treasurer: 

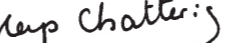
INDEPENDENT AUDITORS' REPORT

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 not materially misstated.

MARTINE IP MIN WAN, FCA
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Kemp Chatteris
Chartered Accountants



DECLARATION

I declare that the above statements have been approved by the Annual General Meeting held on

Secretary: 

Income and expenditure account for the year ended 30 June

	Notes	2024 Rs	2023 Rs
INCOME			
Gross subscriptions	13	431,837,874	397,749,946
Re-insurance subscriptions	15.1	(148,976,302)	(111,257,770)
Net subscriptions		282,861,572	286,492,176
CLAIMS			
Gross claims	14	(412,355,828)	(390,801,485)
Re-insurance claims	15.1	160,858,926	152,874,356
Net claims		(251,496,902)	(237,927,129)
Gross surplus		31,364,670	48,565,047
EXPENDITURE			
Management fees	16	(24,437,710)	(23,875,600)
Referral fees	17	(6,676,377)	(4,952,879)
Stationery and photocopy charges		(189,100)	(101,890)
Audit fees		(352,874)	(603,750)
Bank charges		(97,421)	(109,964)
Marketing fees	18	(2,527,919)	(2,338,687)
Advertising and communication fees		(929,147)	(971,586)
Medical, professional and consultancy fees		(522,740)	(342,444)
Depreciation	2 & 12	-	(508,447)
Salaries		-	(575,314)
Sundry expenses		(462,498)	(937,518)
Total expenditure		(36,195,786)	(35,318,079)

Income and expenditure account for the year ended 30 June (Contd)

	Notes	2024 Rs	2023 Rs
Operating (deficit)/surplus		(4,831,116)	13,246,968
Interest income on financial assets		5,127,991	3,464,449
Unrealised loss on retranslation of foreign currency bank account		(754,999)	-
Interest expense	12	-	(15,860)
Derecognition of right-of-use asset	12	-	(263,977)
Derecognition of lease liabilities	12	-	342,145
Plant and equipment written off	2(i)	-	(894,986)
Amount written off		(18,364)	(2,640)
Other income		-	115,666
Amount written back	10 & 11	-	3,147,984
Allowance for credit losses during the year	3(ii)	(1,380,501)	-
Allowance for credit losses reversed during the year	3(ii) & 8(ii)	-	2,139,529
Provision for impairment of other financial assets	8(ii)	(672,066)	-
Net (deficit)/surplus for the year		(2,529,055)	21,279,278
Fair value gain on financial assets at fair value through other comprehensive income	6(iii)	1,773,656	1,042,511
Accumulated surplus and reserves brought forward		152,159,823	129,838,034
Accumulated surplus and reserves carried forward		151,404,424	152,159,823

Statement of receipts and payments for the year ended 30 June

	2024 Rs	2023 Rs
Bank balances on 01 July (Note 5)	41,516,658	92,277,654
Receipts		
Subscriptions	425,229,911	387,611,208
Matured investments and deposits	24,519,000	18,220,388
Interest and dividend received	5,074,838	3,464,449
Receipts from reinsurer	507,505	-
Receipts in respect of reinsurance	28,816,025	14,695,170
	484,147,279	423,991,215
Payments		
Claims paid	(413,072,724)	(380,900,081)
Management fees	(24,348,345)	(23,841,230)
Payments in respect of reinsurance	(1,637,563)	(419,192)
Investments acquired	(22,001,000)	(59,524,991)
Professional fees	(855,490)	(523,508)
Medical and consultancy fees	-	-
Marketing fees	(2,419,767)	(2,356,672)
Stationery and photocopy charges	-	(4,140)
Audit fees	-	(294,000)
Referral fees	(4,072,719)	(4,290,910)
Salaries	-	(699,168)
Bank charges	(96,779)	(109,965)
Advertising	(963,897)	(1,021,647)
Plant and equipment	-	-
Other expenses	(1,875,237)	(766,707)
	(471,343,521)	(474,752,211)
Bank balances at 30 June (Note 5)	54,320,416	41,516,658

SIGNATURES OF:

Chairman: 

Date: 23rd August 2024

Treasurer: 

Date: 23rd August 2024

Notes to the accounts For the year ended 30 June 2024

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 2024

1. Summary of accounting policies (Contd)

1.5 Leased assets

The Association assesses whether a contract is or contains a lease at inception of the contract. A lease conveys the right to direct the use and obtain substantially all of the economic benefits of an identified asset for a period of time in exchange for consideration.

Measurement and recognition of leases as a lessee

At lease commencement date, the Association recognises a right-of-use asset and a lease liability on the statement of assets and liabilities. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Association, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Association depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Association also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Association measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Association's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

During the year ended 30 June 2023, the Association terminated its lease agreement.

1.6 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.

1.7 Other income

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

Notes to the accounts For the year ended 30 June 2024

1. Summary of accounting policies (Contd)

1.8 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.

1.9 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.

1.10 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.

1.11 Expenditure

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

1.12 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.

1.13 Accumulated fund

Accumulated fund includes all current and prior years' results.

1.14 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.

Notes to the accounts For the year ended 30 June 2024

1. Summary of accounting policies (Contd)

1.15 Payables

Payables include mainly contribution prepaid, payable to reinsurers, 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.

1.16 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.

1.17 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.

1.18 Comparatives

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

Notes to the accounts For the year ended 30 June 2024

2. Plant and equipment

Cost	Furniture Rs	Computer Rs	Office equipment Rs	Motor vehicle Rs	Total Rs
At 01 July 2022	205,388	454,612	984,903	695,000	2,339,903
Disposals during the year	-	-	-	(695,000)	(695,000)
Amount written off during the year (Note 2(i))	(205,388)	(454,612)	(984,903)	-	(1,644,903)
At 30 June 2023 and 2024	-	-	-	-	-
Accumulated depreciation					
At 01 July 2022	77,525	177,924	276,207	257,436	789,092
Depreciation for the year	22,741	86,466	109,052	99,394	317,653
Disposals during the year	-	-	-	(356,830)	(356,830)
Amount written off during the year (Note 2(i))	(100,266)	(264,390)	(385,259)	-	(749,915)
At 30 June 2023 and 2024	-	-	-	-	-
Net book value as at 30 June 2023 and 2024	-	-	-	-	-

(i) During the year ended 30 June 2023, the Association terminated its lease agreement (Note 12) and consequently, all the assets acquired by the Association in the prior years were written off in these financial statements for a total amount of Rs 894,986.

3. Contribution receivable

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

	2024 Rs	2023 Rs
Gross contribution receivable	26,788,151	20,591,954
Allowance for credit losses (Note 3(ii))	(2,655,043)	(1,274,542)
Net contribution receivable	24,133,108	19,317,412

(ii) The closing balance of the trade receivables loss allowance as at 30 June 2024 reconciles with the trade receivables loss allowance opening balance as follows:

	2024 Rs	2023 Rs
At 01 July	1,274,542	3,414,071
Loss allowance reversals during the year	(1,274,542)	(2,139,529)
Loss allowance recognised during the year	2,655,043	-
At 30 June	2,655,043	1,274,542

Notes to the accounts For the year ended 30 June 2024

3. Contribution receivable (Contd)

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

	2024 Rs	2023 Rs
0 - 1 months	1,938,876	54,559
2 - 3 months	22,599,921	19,316,151
Above 3 months	2,249,354	1,221,244
	26,788,151	20,591,954

(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 2,655,043(2023: Rs 1,274,452) made as at 30 June 2024 to be adequate.

4. Sundry debtors and prepayments

	2024 Rs	2023 Rs
Sundry debtors and prepayments	2,057,345	138,712
Reinsurance (Note 4(i))	-	507,505
At 30 June	2,057,345	646,217

(i) As at 30 June 2024, the Association has an amount of Rs Nil (2023: Rs 507,505 receivable from two corporates) receivable 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.

5. Cash and cash equivalents

	2024 Rs	2023 Rs
Cash at bank	54,320,416	41,516,658

6. Financial assets at fair value through other comprehensive income

	2024 Rs	2023 Rs
Financial assets at fair value through other comprehensive income	62,845,350	50,955,845

Notes to the accounts For the year ended 30 June 2024

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

(i) Breakdown of investments

	2024 Rs	2023 Rs
<i>Listed</i>		
- Attitude Property Ltd	2,687,500	2,662,500
- MCB Group Limited – Notes	2,985,000	2,019,000
- SBM Holdings Ltd – Bonds	-	4,000,000
- IBL Ltd - Multicurrency Medium Term Secured and Unsecured Note Programme Tranche 1 -Series 2	4,005,559	4,005,559
- Exchange Traded Funds	2,002,537	1,626,043
- MCB Unit Trust	9,794,150	9,044,325
- MCB Group Limited	722,000	595,175
- SBM Holdings Ltd	273,727	262,080
- SBM Perpetual Fund	14,955,697	14,412,146
- Axiom Yield Fund Ltd	4,295,176	4,239,833
- Innodis Ltd	4,089,434	4,089,434
- CIM Financial Services Ltd- 10M notes	9,989,820	10,134,849
- ABC Banking Corporation Ltd	3,045,000	-
<i>Unlisted</i>		
- Afrasia Bank Limited - Class A Series 2 shares	3,999,750	3,999,750
At 30 June	62,845,350	61,090,694

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

	2024 Rs	2023 Rs
As at 01 July	50,955,845	49,913,334
Reclassification	10,134,849	-
Additions during the year	6,000,000	-
Matured during the year	(6,019,000)	-
Fair value adjustments	1,773,656	1,042,511
At 30 June	62,845,350	50,955,845

Notes to the accounts For the year ended 30 June 2024

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

(iii) Fair value reserves movement

	2024 Rs	2023 Rs
As at 01 July	6,919,456	5,876,945
Fair value adjustments	1,773,656	1,042,511
At 30 June	8,693,112	6,919,456

7. Financial assets at amortised cost

During the year ended 30 June 2024, the Association had investments in several bonds and treasury bills which have been classified at amortised cost at initial recognition.

	2024 Rs	2023 Rs
Financial assets at amortised cost	39,681,600	54,816,449

(i) Breakdown of financial assets at amortised cost

	2024 Rs	2023 Rs
- CIM Financial Services Ltd	-	2,000,000
- CIM Financial Services Ltd – 10M notes	-	10,134,849
- Ekada Yield Fund	3,500,000	3,500,000
- The Mauritius Sugar Syndicate	-	10,000,000
- SWAN Income Fund	4,932,450	4,932,450
- La Prudence Leasing	-	10,000,000
- Bank One Ltd	10,000,000	-
- MCB Group Limited – Notes	7,000,000	-
- Britannic Opportunities Ltd Fund B	14,249,150	14,249,150
At 30 June	39,681,600	54,816,449

Notes to the accounts For the year ended 30 June 2024

7. Financial assets at amortised cost (Contd)

(ii) Movement in financial assets at amortised cost

	2024 Rs	2023 Rs
As at 01 July	54,816,449	20,296,685
Reclassification	(10,134,849)	-
Additions during the year (Note 7 (iii))	17,000,000	52,816,449
Matured during the year (Note 7 (iii))	(22,000,000)	(18,296,685)
At 30 June	39,681,600	54,816,449

(iii) During the year under review, the Association acquired additional investments for a total consideration of MUR 17,000,000 (2023: MUR 52,816,449). In addition, several investments held by the Association matured during the year under review.

8. Other financial assets

	2024 Rs	2023 Rs
- Spice Finance Ltd (Note 8(i))	12,821,000	12,361,667
- Silver Bank Limited (Note 8(ii))	662,065	1,344,131
- At 30 June	13,483,065	13,705,798

(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. During the year under review, the Association invested in fixed deposit as follows:

Financial institution	Amount (Rs)	Interest rate per annum	Maturity date
Spice Finance Ltd	7,000,000	6.20%	25 March 2029
ABC Banking Corporation Ltd	3,045,000	5.80%	29 March 2034
Bank One Ltd	10,000,000	5.00%	27 September 2024

(ii) Silver Bank Limited went into conservatorship during the month of February 2024. The Management Committee has assessed the recoverability of the investment BMPA holds in Silver Bank Limited and has decided to account for provision for impairment of 50% for the investment for the financial year ended 30 June 2024.

Notes to the accounts For the year ended 30 June 2024

9. Sundry creditors and contribution prepaid

	2024 Rs	2023 Rs
Contribution prepaid	2,201,199	2,652,683
Management fees payable	2,078,265	1,988,918
Marketing fees payable	686,658	578,507
Sundry creditors	342,426	279,801
Provision for referral fees	5,586,852	3,634,636
Accruals	523,026	525,899
At 30 June	11,418,426	9,660,444

10. Outstanding claims payable

	2024 Rs	2023 Rs
Outstanding claims payable	22,905,514	25,085,987

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 2024.

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

	2024 Rs	2023 Rs
IBNR	13,690,973	13,873,979

IBNR claims relate to an estimate for all claims which have been incurred during the financial year ended 30 June 2024, 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 Rs13,690,973 (2023: Rs 13,873,979) was reported as at 30 June 2024. 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 2024

12. Leases

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. However, during the year ended 30 June 2023, the Association terminated its lease agreement.

Consequently, the right-of-use asset and lease liabilities previously recognised in the statement of assets and liabilities were derecognised as follows:

	2024 Rs	2023 Rs
Right-of-use asset		
At cost	-	454,771
Depreciation charge	-	(190,794)
Derecognition of right-of-use	-	(263,977)
Net book value	-	-

	2024 Rs	2023 Rs
Lease liabilities		
At start	-	562,764
Interest expense	-	15,860
Lease payments	-	(236,479)
Derecognition of lease liabilities	-	(342,145)
At end	-	-

Lease liabilities

- Non-current	-	-
- Current	-	-
	-	-

Amounts recognised in the income and expenditure account.

	2024 Rs	2023 Rs
Depreciation charge of right-of-use asset	-	190,795
Interest expense	-	15,860

Notes to the accounts For the year ended 30 June 2024

12. Leases (Contd)

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.

13. Gross subscriptions

	2024 Rs	2023 Rs
Gross subscriptions	431,837,874	397,749,946

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

14. Gross claims

	2024 Rs	2023 Rs
Gross claims	412,355,828	390,801,485

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

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:

	2024 Rs	2023 Rs
Re-Insurance subscriptions	148,976,302	111,257,770
Re-Insurance claims	(160,858,926)	(152,874,356)
	(11,882,624)	(41,616,586)

Notes to the accounts For the year ended 30 June 2024

15. Re-Insurance subscriptions and claims (Contd)

15.2 Gain/(loss) on re-insurance

The net impact on reinsurance of catastrophe covers with Eagle Insurance Limited and The Mauritius Union Cy Ltd during the years ended 30 June 2024 and 2023 is as follows:

	2024 Rs	2023 Rs
Re-Insurance premiums received	152,267,801	128,694,093
Re-Insured costs	(148,976,302)	(111,257,770)
	<u>3,241,499</u>	<u>17,436,323</u>

15.3 Amount (payable to)/receivable from reinsurer

	2024 Rs	2023 Rs
Eagle Insurance Limited	-	(375,619)
The Mauritius Union Assurance Cy Ltd	2,888,453	20,197,473
Net amount at 30 June	<u>2,888,453</u>	<u>19,821,854</u>

During the financial year ended 30 June 2020, the Association entered into a reinsurance agreement with Eagle Insurance Limited which was renewed with effective date up till 30 September 2022. As at 30 June 2023, an amount of Rs 375,619 was payable to the reinsurer. During the year ended 30 June 2023, the Association entered into a reinsurance agreement with The Mauritius Union Assurance Cy Ltd with effective date starting 01 October 2022 up to 30 September 2025. As at the reporting date, the amount of Rs 2,888,453 is receivable from the reinsurer.

16. Management fees

	2024 Rs	2023 Rs
Management fees	<u>24,437,710</u>	<u>23,875,600</u>

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. There is an escalating fee structure as per the Administration Agreement for 4 consecutive years. For the year ended 30 June 2024, a fixed fee of Rs105 (2023: Rs 100) was charged per active member.

Notes to the accounts For the year ended 30 June 2024

17. Referral fees

	2024 Rs	2023 Rs
Referral fees	<u>6,676,377</u>	<u>4,952,879</u>

Referral fees pertains to expenses incurred in respect to the brokers of the Association. The fee structure for referral services is 8.5% on annual premiums on businesses referred to the Association, payable either on a monthly or a quarterly basis.

18. Marketing fees

	2024 Rs	2023 Rs
Marketing fees	<u>2,527,919</u>	<u>2,338,687</u>

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 (2023: Rs 20), with a minimum of Rs 500,000 (2023: 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	2024 Rs	2023 Rs
Lease liabilities	-	-
- Repayable within one year	-	-
- Repayable after one year	-	-

	Long-term	Short-term	Total
	Lease liabilities		
	2023 Rs	2023 Rs	2023 Rs
Net debt as at start of the year	<u>364,755</u>	<u>198,009</u>	<u>562,764</u>
Cash flows:			
- Repayment of lease liabilities	-	(236,479)	(236,479)
Non-cash:			
- Interest expense	15,860	-	15,860
- Reclassification	(380,615)	38,470	(342,145)
Net debt as at end of the year	<u>-</u>	<u>-</u>	<u>-</u>



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