



SEYCHELLES PENSION FUND
**ANNUAL
REPORT**

2016



“Pas kot fon Pansyon pou en Konversasyon”



SEYCHELLES PENSION FUND

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"Save for your retirement, secure your future"

Please address all correspondence to the Chief Executive Officer

Your Ref	:	
Our Ref	:	SPF/Ann/Rep/50
Enquiries To	:	
Telephone Ext	:	
Date	:	28 th March 2017

*Dr. Peter Larose
Minister of Finance, Trade
and Economic Planning
Liberty House
Victoria*

Dear Minister Larose

ANNUAL REPORT 2017

I have the honour to submit the 11th Annual Report of Seychelles Pension Fund in accordance with Section 54 of the Seychelles Pension Fund Act which includes a copy of the Audited Financial Statements for the year ending 31st December 2016, for you to also table to the National Assembly as required under our Act.

Yours sincerely


Lekha Nair

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**Mr Patrick Payet
Chairman
Board of Trustees**

On behalf of the Board of Trustees, it gives me great pleasure to present the Seychelles Pension Fund's Annual Report highlighting the activities of the SPF for the year 2016 in compliance with Section 9 of the Seychelles Pension Fund Act.

The year 2016 saw SPF celebrating its 10th anniversary and this brought about a culmination of related activities spread over 10 months. It presented the opportunity to showcase the achievements of SPF for the last 10 years. The celebrations started with the opening of Maison Collé in January and the other highlights during the year were the launch of new SPF website, a radio information call-in session at SBC for our members to know more about SPF, a health check day for all staff and public at Caravelle House, tree planting and opening of Corail D'Or Apartments at North East Point, launching of our team-up with Airtel Mr Money to facilitate self-employed to pay SPF dues, participation in the reforestation programme at Curieuse and celebration of the festive season with the elderly at Praslin.

Membership 2016 increased by 5.0% and the total registered members stood at **61,859** compared to 2015 which was 58,901. With regards to self-employed, there was an increase of 58% in the registration of new self-employed members compared to 2015, although



this remains a major challenge for SPF to bring them on board. It should also be noted that voluntary contributions increased by 16% in 2016.

Investment income is the second source of income for SPF and the results continues to indicate good performance overall. Income from investments represented 35% of the SPF's total income while pension contributions were 65%. Investment income increased by **SCR12m** relative to the year 2015.

I would like to take this opportunity to thank the management and staff of SPF for their high level of commitment and hard work towards ensuring the continual growth of the organisation.

On a final note, heartfelt gratitude and appreciation goes to all the members of the Board of Trustees who, through their expertise, wisdom and experience, guided SPF during 2016.

Mrs Lekha Nair
Chief Executive Officer

I am pleased to present to you the Seychelles Pension Fund's (SPF) Annual Report for the year ended 31st December 2016.

The report highlights the main activities of the SPF for the year 2016.

The overall objective of SPF

The core function of SPF is to assure its members of a monthly pension for life when they attain retirement age. The objectives thus are to provide secure pensions, effectively and efficiently administered at the lowest costs. This requires SPF to strike a balance between collecting contributions and paying pensions and other benefits under SPF Act, as well as achieving the most from its investments, with the need to exercise prudence and caution in considering its future liability profile. SPF focuses on providing a sustainable Defined Benefits Pension Scheme which focuses on a long-term strategic approach to pensions, which means identifying the payments we need to make to our members and investing in the right assets in order for us to generate the returns to do so. Our Board of Trustees reviews SPF's strategies and policies, as well as our investments and administration, at regular intervals, sometimes with the help of its various professional committees, to ensure that they remain appropriate.

Annual Report

Each year we use this introductory section of our annual report to summarize the accomplishments and challenges of the past twelve months and to present clear and key information on how the SPF is managed for the benefit of all Seychellois workers.

As you will read in this report, SPF is in a strong position today and has come a long way since its inception a decade ago. 2016 financial results puts SPF on its continued path to sustainability, as it was another year of significant growth and performance in terms of Members Fund and investment returns. These results are important because they demonstrate our commitment and proven ability to provide security and confidence to our members. SPF is a success story of which we should all be proud of. However, we are always mindful nevertheless, of being complacent. We remain committed to a prudent approach that strikes a balance between payments for current and future members of the SPF.



Summary of Financial performance

SPF continues to be in a sound financial position. For 2016, SPF recorded a surplus of SCR 261m.

SPF total net worth for the year 2016 stood at SCR2.7 billion as a result of an increase in Members' Fund by SCR119m. The early build-up of funds has meant that at 31 December 2016 the level of funds at SPF is such that it represents 11 times the benefit outgo in the forthcoming year.

The total non-current assets for 2016 were SCR2 billion which is an increase of SCR412m from the previous year's figure. This was mainly due to the purchase of new shares in Afrexim bank, Seychelles Commercial Bank, and Al Salam Bank of Seychelles, procurement of three more properties-Continental, Anse La Mouche and Victoria Stadium Car Park, as well as the completion of two projects Corail D'or and Maison Collet. Increase in the share price of Seybrew and SACOS also increased our asset value.

Contributions and Benefit payments

Members contributed SCR223.1m in 2016, an increase of 9% from 2015 because of salary increases in the country for the year. SPF paid out SCR157.5m in benefits payment. A total of 4287 beneficiaries, of which 3294 pensioners were paid the amount of SCR 95.1m as normal retirement pensions. Other benefits paid in 2016 amounted to SCR 62.4m. All indications show that with the new pension formula since 2015, this gap will close in the future as higher pensions are paid out. All contributions including Voluntary Contributions that went into the individual members' accounts received a 3.5 % interest credited directly in all member's account balances.

Investment performance

The economic growth in the country for the year 2016 was stable, with price inflation remaining subdued and interest rates at low levels. Against this backdrop and despite our expectations this time last year that returns especially from financial instruments would be higher, SPF made an impressive overall return of 9% from all its investments, as budgeted for the year.

The highest returns in 2016 were from rental of properties that brought in a gross income of SCR 93m. SPF completed two buildings in 2016: Maison Collet –a multi-storey car park in Victoria with two floors of offices, and Corail D'or, a luxury apartment project located at North East Point. The second highest source of income was from interest income at SCR 46m from Treasury Bills/Bonds and bank deposits despite the reduction in interest rates of 9 % from the previous year. SPF also collected SCR12m as dividend from its shareholding in companies, which was the third highest source of income.

On behalf of management of SPF, I would like to thank our entire workforce for their hard work and dedication. I offer my congratulations to all who were and are involved in the creation, management and operation of the SPF and for their contribution towards delivering an excellent service throughout the year. I am confident that SPF staff will continue to provide high standards of service delivery and meet the continuation of existing and new challenges into 2017 in the same professional manner as they did in 2016. Without them, our success would not have been possible.

I would also like to express my sincere gratitude to all our all members, stakeholders and the Board of Trustees for their support throughout the year.

2016 HIGHLIGHTS

MEMBERSHIP

61,859 registered members (2015 - 58,901)

41,085 Active Members
83% coverage of labour force of
49,353

Total Employers **3,081** (New employers increased by 22%)
 Total Self-Employed **1,439**

Members' Funds

SCR1.3billion (10% increase)

Mandatory Contributions

2015 – **SCR195.4m**
 2016 – **SCR211.6m**

Voluntary Contributions

2015 – **SCR9.8m**
 2016 – **SCR11.4m**

Benefits Paid Out

SCR 157.5m paid out (38% increase) to **4,287** beneficiaries

Normal Retirement – **SCR 95.1m**
 Beneficiaries – **3,294**

Permanent Incapacity – **SCR35.6m**
 Beneficiaries – **527**

Other Benefits – **SCR26.80m**
 Beneficiaries – **466**

Compliance

41 cases of complaints resolved

13 unregistered employers detected

244 assessments cases of employers in default

Investments

Total Investment Income – **SCR151m** (SCR11.9m increase over last year)

Rate of return **9%**

Investment income **35%** of total revenue

Properties

21 properties on Mahé, Praslin & La Digue giving a gross income of **SCR92.9m**

90% average occupancy rate of properties

Real Estate worth **SCR1.4billion**

Projects

2 projects completed in 2016;

- Maison Collet - **SCR140m**

- Corail D'Or – **SCR81m**

5 ongoing projects

- Pirates Arms

- Anse Boileau Micro Enterprise

- Île du Port Micro Enterprise

- Île Perseverance Apartments

- Eve Island Warehouse

Staffing

20% increase in staff - **94 to 113**

Equity

SACOS **20%** Shares (through OICL 38%) – Return **41%**

Seybrew **26%** Shares - Return **8 %**

SACOS - Share price as at December 2016 is **SCR140** per share same as December 2015

Seybrew– Share price as at December 2016 is **SCR60** per share, enlisted only in 2016

Total Assets

SCR 2.7billion

FINANCIAL STATEMENTS

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**SEYCHELLES PENSION FUND
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

SEYCHELLES PENSION FUND
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SEYCHELLES PENSION FUND
BOARD OF TRUSTEES' REPORT

The Board of Trustees of the SPF is pleased to present its report together with Auditors report and the audited Financial Statements for the year ended December 31, 2016. As per the SPF Act, the annual report is presented to the National Assembly and published in the official gazette

BACKGROUND INFORMATION

Seychelles Pension Scheme commenced its operations under the Seychelles Pension Scheme Act, 1990, CAP 220 with effect from January 1, 1991. In August 2005, the Seychelles Pension Scheme Act, 1990 was repealed and was replaced by Seychelles Pension Fund Act, 2005 under which the scheme became a body corporate and was renamed as Seychelles Pension Fund.

REGISTERED OFFICE OF SPF

The registered office of SPF is at Caravelle House, second floor, PO Box 576, Victoria, Mahe, Seychelles.

PRINCIPAL ACTIVITIES

The principal activity of SPF are to collect contribution from members and pay benefits to retiring members. It includes payment of monthly pension and dependents of the deceased members, as well as other benefits under various schemes as per Section 4 of the Act and applicable Regulations.

THE FUND

The Fund represents SPF main activities ie collecting contributions from its members and paying out benefits to retiring members and investing excess funds as per SPF Act 2005,

THE GROUP

The Group comprises of SPF activities as well as activities of its subsidiary company, Opportunity Investment Company Limited, that has invested in SACOS and its associate, Seychelles Breweries Limited, where SPF has invested directly. Details regarding the subsidiary company and the associated companies are as per notes 11 and 12 to these financial statements.

RESULTS FOR THE YEAR	Year to 31st December 2016	Year to 31st December 2016
	THE GROUP SCR	THE FUND SCR
Surplus for the year	261,475,226	216,832,148
Retained surplus brought forward	535,119,160	535,242,896
Retained surplus carried forward	796,594,386	752,075,044
Attributable to:		
The Fund	744,296,487	752,075,044
Non-controlling interest	52,297,899	-
	796,594,386	752,075,044

INTEREST ON MEMBERS' FUND

An interest of 3.5% was approved for the year under review to be credited to members accounts. (2015: 4%).

PLANT AND EQUIPMENT

SPF acquired property and equipment amounting to **SCR7.2 million** during the year comprising of furniture, fittings and motor vehicle (2015: SCR 26m).

The Board is of the opinion that the fair value of property and equipment as at December 31, 2016 does not differ materially from their carrying amounts as per the statements of net assets available for benefits at that date.

INVESTMENT PROPERTIES

SPF has invested substantial amounts in properties for rental and capital appreciation purposes. As at December 31, 2016, these totalled **SCR 1.3b** (2015: SCR1.2b). During the year, additions amounted to **SCR 88m** (2015: SCR: 338m) and increase in fair value following revaluation as at December 31, 2016 was **SCR 55.2m** (2015: CSR 73.4m)

SEYCHELLES PENSION FUND
BOARD OF TRUSTEES' REPORT (CONT'D)

BOARD OF TRUSTEES

The Board of Trustees since the date of the last report and the date of this report are:

Patrick Payet - Chairman	Bernard Adonis
Lambert Woodcock	Basil Hoareau - resigned October 2016
Jessie Espanon - resigned December 2016	Pamela Charlette - appointed 1st January 2017
Walter Labrosse	Alexandra Madeleine -appointed 1st January 2017
Suzanne Labrosse	Malika Jivan
Antonio Lucas	Antoine Robinson
Cillia Mangroo	Lekha Nair (Chief Executive Officer)
Elizabeth Agathine	

STATEMENT OF BOARD OF TRUSTEES' RESPONSIBILITY

The Board of Trustees is responsible for the overall management of the affairs of SPF. The Board also ensures that proper accounts and other books and records in relation thereto in which all its financial transactions shall be recorded and maintained. In preparing these financial statements, the Board has a general responsibility to:

- ensure that the financial statements are on the going concern basis unless it is inappropriate to assume continuance of the Fund;
- select suitable accounting policies and then apply them consistently;
- make judgment and estimates that are reasonable and prudent and;
- disclose and explain any material departures from applicable accounting standards.

The Chief Executive Officer of SPF is, as defined in the Seychelles Pension Fund Act, 2005, responsible for the day to day administration, including the collection of contributions, payment of pensions and other benefits, investment of surplus moneys and accounting for all moneys collected, paid or invested by the Seychelles Pension Fund.

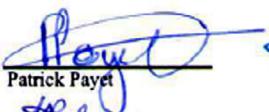
The Board and the Chief Executive Officer also have the general responsibility for taking reasonable steps to safeguard the assets of SPF and detect fraud and other irregularities.

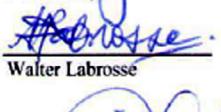
The Board and the Chief Executive Officer consider they have met their aforesaid responsibilities.

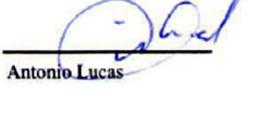
AUDITORS

The Auditor General of Seychelles is mandated to carry out the audit of the Seychelles Pension Fund under Section 53(2) of the Seychelles Pension Fund Act, 2005. They have outsourced the services to Pool and Patel for the year 2016.

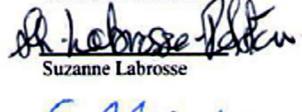
TRUSTEES


 Patrick Payet

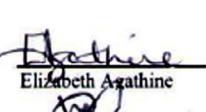

 Walter Labrosse


 Antonio Lucas


 Lambert Woodcock


 Suzanne Labrosse

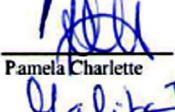

 Cillia Mangroo

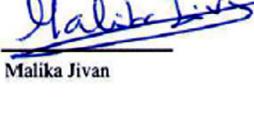

 Elizabeth Agathine


 Bernard Adonis


 Alexandra Madeleine


 Antoine Robinson


 Pamela Charlette


 Malika Jivan

**OFFICE OF THE AUDITOR GENERAL**

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Please address all correspondence to the Auditor General

**OPINION OF THE AUDITOR GENERAL ON THE ACCOUNTS OF
THE SEYCHELLES PENSION FUND
FOR THE YEAR ENDED 31 DECEMBER 2016****Scope**

Pursuant to the powers conferred on me by Section 53(2) of the Seychelles Pension Fund Act, 2005, I have caused Pool & Patel to audit on my behalf the financial statements of the Seychelles Pension Fund and its subsidiary (The Group) for the year ended 31 December 2016 as set out on pages 5 to 43.

The Board of Trustees' Responsibility for the Financial Statements

The Board of Trustees is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Seychelles Pension Fund Act, 2005 and the Public Enterprise Monitoring Commission Act, 2013. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate policies, and making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor General

My responsibility is to express an opinion on these financial statements based on our audit and report it to the Minister of Finance. The audit was conducted in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Fund's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Trustees, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for the audit opinion.

Opinion

In my opinion, the financial statements on pages 5 to 43 give a true and fair view of the financial position of the Group and of the Fund at 31 December 2016, and of their financial performance and their cash flows for the year then ended prepared in accordance with International Financial Reporting Standards and comply with the Seychelles Pension Fund Act, 2005.


Rajinder Chouhan
Acting Auditor General

24 March 2017
Victoria, Seychelles





Pool & Patel
Chartered Accountants

Bernard L. Pool FCA Suketu Patel FCA Gémma Roberts FCCA

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www.poolandpatel.com

INDEPENDENT AUDITOR'S REPORT SEYCHELLES PENSION FUND

We have audited the accompanying financial statements of the Seychelles Pension Fund on pages 5 to 43, which comprise the statement of assets available for benefits for the Fund and the Group as at December 31, 2016, the income and expenditure accounts, the statement of changes in net assets available for benefits and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements have been prepared by management in compliance with International Financial Reporting Standards.

This report is made solely for the Auditor General in accordance with the Seychelles Pension Fund Act 2005. Our audit work has been undertaken so that we might state to the Auditor General those matters which we are required to state to him in accordance with our contract and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Auditor General for our audit work, for this report or for the opinion we have formed.

Management's Responsibility for the Financial Statements

The Board of Trustees are responsible for keeping proper accounting records and for the preparation of financial statements that give a true and fair view of the Fund's affairs in accordance with the financial reporting provisions of the Seychelles Pension Fund Act, 2005 and International Financial Reporting Standards and for such internal control as the Board of Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

We have no relationship with, or material interest in the Fund or its subsidiary other than in our capacity as auditors and arms length dealings with the Fund in the ordinary course of business.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and that these are in accordance with the accounting records maintained by the management. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Opinion

In our opinion, the accompanying financial statements of the Seychelles Pension Fund set out on pages 5 to 43 give a true and fair view of the financial position of the Fund and the Group as at December 31, 2016, and of its financial performance and its cash flows for the year then ended in accordance with the financial reporting provisions of the Seychelles Pension Fund Act, 2005 and International Financial Reporting Standards.

Pool & Patel
POOL & PATEL
CHARTERED ACCOUNTANTS

16 March 2017

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SEYCHELLES PENSION FUND
STATEMENTS OF ASSETS AVAILABLE FOR BENEFITS - 31ST DECEMBER 2016

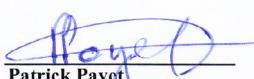
Notes	THE GROUP		THE FUND		
	2016		2015		
	SCR	SCR	SCR	SCR	
ASSETS					
Non-current assets					
Property and equipment	7	43,800,068	42,123,283	43,800,068	42,123,283
Investment properties	9(a)	1,340,455,559	1,197,182,770	1,340,455,559	1,197,182,770
Deposit on leasehold land	10	44,201,031	44,716,495	44,201,031	44,716,495
Investment in subsidiary	11&14	-	-	6,275,370	6,275,370
Investment in associates	12	308,642,800	110,332,618	198,876,360	59,662,908
Investment in financial assets	13	300,491,429	230,516,561	300,491,429	230,516,561
		2,037,590,887	1,624,871,727	1,934,099,817	1,580,477,387
Current assets					
Investment in financial assets	13	563,221,527	532,445,698	566,941,187	520,169,050
Receivables and prepayments	15	68,414,532	76,158,090	68,352,527	75,777,508
Cash and cash equivalents	28	68,363,126	118,400,486	68,053,825	118,091,715
		699,999,185	727,004,274	703,347,540	714,038,273
Total assets		2,737,590,072	2,351,876,001	2,637,447,357	2,294,515,660
Current liability					
Other payables	16	16,134,442	17,309,140	16,105,692	17,309,140
Non-current liability					
Retirement benefit obligations	17	3,768,878	2,792,258	3,768,878	2,792,256
Net assets available for benefits	20	2,717,686,752	2,331,774,603	2,617,572,787	2,274,414,264
Made up as follows:					
Member's fund	18	1,307,939,292	1,188,453,994	1,307,939,292	1,188,453,994
Other fund	19	459,861,543	459,861,543	459,861,543	459,861,543
Reserve funds	21	14,568,591	14,568,591	14,568,591	14,568,591
Other reserves	22	86,425,040	95,020,901	83,128,316	76,287,240
Retained earnings		796,594,386	565,791,820	752,075,044	535,242,896
		2,665,388,853	2,323,696,849	2,617,572,787	2,274,414,264
Non-controlling interest	23	52,297,899	8,077,754	-	-
		2,717,686,752	2,331,774,603	2,617,572,787	2,274,414,264

Valuation of net assets against actuarial value of promised retirement benefits

	SCR'BILLION
Net Assets Value	2.618
Additional fund required from contribution received/investment	3.456
Present value of defined retirement benefit	
(Actuarial Estimates)	6.074
Vested Benefit	1,817
Non-Vested Benefit	4.257
Total Retirement Benefits	6.074

Refer to explanation in note 20 on page 40

These Financial Statements have been approved for issue by the Board of Trustees on 16th March 2017


 Patrick Payot
 Chairperson


 Lekha Nar
 Chief Executive Officer

The notes on pages 10 to 43 form an integral part of these financial statements.

Auditor's Report on pages 3 and 4.

SEYCHELLES PENSION FUND

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS - YEAR ENDED 31ST DECEMBER 2016

Notes	THE GROUP		THE FUND	
	2016	2015	2016	2015
Compulsory contributions:			SCR	SCR
2(o)				
- by employees	105,795,220	93,388,461	105,795,220	93,388,461
- by employers	105,843,556	102,045,793	105,843,556	102,045,793
Voluntary contributions				
- by employees	8,094,848	6,774,234	8,094,848	6,774,234
- by employers	3,317,356	3,040,524	3,317,356	3,040,524
	223,050,981	205,249,013	223,050,981	205,249,013
Interest received by members	54,099,894	51,695,649	54,099,894	51,695,649
SSF Investment Funds transferred to SPF		333,452,765		333,452,765
Net change in revaluation		57,485,163		57,485,163
Reversal of associate equity upon change in accounting policy	(41,379,124)			
Retained earnings adjustments	10,706,980			
Net change in other reserves	(15,436,937)	21,239,389		
Net change in fair value on financial assets	6,841,077	(1,675,642)	6,841,077	(1,675,642)
Net surplus for the year before share of results of associates but after non-controlling interest	261,475,226	78,007,970	216,832,148	94,395,230
	276,307,117	540,205,294	277,773,119	535,353,164
Benefits payments:				
- Normal Retirement	209,516,530	158,893,347	209,516,530	158,893,347
- Death before Normal Retirement	2,196,327	1,637,569	2,196,327	1,637,569
- Permanent Incapacity	37,930,341	21,844,183	37,930,341	21,844,183
- Pre-Migration Retirement	438,026	296,924	438,026	296,924
- Death after Normal Retirement	10,188	-	10,188	-
- Special Pension Entitlement	-	246,308,00	-	246,308
- Surviving Spouse Pension	7,109,894	5,340,390	7,109,894	5,340,390
- Children Pension	2,714,392	2,035,944	2,714,392	2,035,944
- Post-Retirement Surviving Spouse	5,548,421	4,083,443	5,548,421	4,083,443
- Post-Retirement Children Pension	485,433	443,384	485,433	443,384
- Early Retirement Benefits	49,144	-	49,144	-
- Refunds	117,459	1,811,556	117,459	1,811,556
<i>Less:</i>	-	-	-	-
- Arrears for Social Security Fund Pension	(1,051,684)	(9,935,632)	(1,051,684)	(9,935,632)
- Social Security Fund Pension	(107,398,379)	(82,702,794)	(107,398,379)	(82,702,794)
	157,666,092	103,994,622	157,666,092	103,994,622
Net increase in assets available for benefits before share of results of associates	341,692,005	641,459,685	343,158,007	636,607,555
Share of results of associates	12	-	16,942,748	-
Net assets available for benefits:				
Balance at January 1,	2,323,696,849	1,665,294,416	2,274,414,264	1,637,806,709
Balance at December 31,	2,665,388,853	2,323,696,849	2,617,572,272	2,274,414,264

SEYCHELLES PENSION FUND
INCOME AND EXPENDITURE ACCOUNTS - YEAR ENDED 31ST DECEMBER 2016

	Notes	THE GROUP		THE FUND	
		2016	2015	2016	2015
		SCR	SCR	SCR	SCR
INCOME					
Interest income	24	46,018,333	50,844,097	46,018,333	50,844,097
Investment income	25	12,024,359	233,873	11,870,624	13,578,784
Rental income	9 (e)	92,858,203	74,369,504	92,858,203	74,369,504
Other income		708,164	1,798,294	708,164	1,678,192
Profit on disposal of property and equipment		147,485	-	147,485	-
Profit on sale of investments		506,591	52,075	506,591	52,075
Increase in fair value of investment properties	9 (a)	55,240,057	73,418,211	55,240,057	73,418,211
Increase in fair value of associates		186,875,355	-	139,213,452	-
		394,378,548	200,716,054	346,562,909	213,940,863
EXPENDITURE					
Interest credited to members	26	54,099,894	51,695,649	54,099,894	51,695,649
Administrative expenses	27	38,743,015	31,207,866	38,708,371	31,189,554
Property management expenses		29,771,714	20,341,435	29,771,714	20,341,435
Depreciation of property and equipment	7	7,018,224	5,595,983	7,018,224	5,595,983
Loss on disposal of property plant and equipment		-	48,250	-	48,250
Amortisation of deposit on lease	10	515,464	515,464	515,464	515,464
Dividend to non-controlling interest holders		3,137,916	570,830	402,500	570,830
Professional fees		402,500	570,830	402,500	570,830
		133,688,728	109,975,477	130,516,166	109,957,166
(Loss)/Gain on exchange differences		260,689,820	90,740,577	216,046,742	103,983,698
		785,406	(9,588,468)	785,406	(9,588,468)
Share of results of associates	12	261,475,226	81,152,109	216,832,148	94,395,230
		-	16,942,748	-	-
Surplus for the year		261,475,226	98,094,857	216,832,148	94,395,230
Surplus brought forward		535,119,160	467,696,963	535,242,896	440,847,666
Net Surplus carried forward		796,594,386	565,791,820	752,075,044	535,242,896
<i>Surplus for the year Attributable to:</i>					
The Fund		212,544,502	94,950,718	216,832,148	94,395,230
Non-controlling interest	23	48,930,725	3,144,139	216,832,148	94,395,230
		261,475,226	98,094,857	216,832,148	94,395,230
<i>Net Surplus carried forward Attributable to:</i>					
The Fund		744,296,487	562,647,681	752,075,044	535,242,896
Non-controlling interest	23	52,297,899	3,144,139	-	-
		796,594,386	565,791,820	752,075,044	535,242,896

The notes on pages 10 to 43 form an integral part of these financial statements.
 Auditor's Report on pages 3 and 4.

SEYCHELLES PENSION FUND

STATEMENTS OF CASH FLOWS - YEAR ENDED 31ST DECEMBER 2016

	Notes	THE GROUP		THE FUND		
		2016		2015		
		SCR	SCR	SCR	SCR	
Cash generated from operations						
Net increase in assets available for benefits before share of results of associates		341,692,004		641,459,685	343,158,007	636,607,555
Net change in non-controlling interest		44,220,145		2,956,973	-	-
Net cash generated from operations		385,912,149		644,416,658	343,158,007	636,607,555
<i>Adjustments for:</i>						
Depreciation of property and equipment	7	7,018,224		5,595,983	7,018,224	5,595,983
Amortisation of deposit on lease	10	515,464		515,464	515,464	515,464
Profit on disposal of plant and equipment		-		-	-	-
Loss on disposal/transfer of property				48,250	-	48,250
Plant & equipment		-			-	
Profit on sale of investments		(506,591)		(52,075)	(506,591)	(52,075)
Retirement benefit obligations		976,621		342,639	976,621	342,639
Revaluation of plant and equipment	7	-		-	-	-
Effect of foreign exchange in financial assets		1,134,103		(1,824,566)	1,134,103	(2,658,939)
Fair value gains on investment properties	9(a)	(55,240,057)		(73,418,211)	(55,240,057)	(73,418,211)
Net change in fair value on financial assets	13(a&b)	(6,841,077)		1,675,643	(6,841,077)	1,675,642
Interest receivable	24	(46,018,333)		(50,844,097)	(46,018,333)	(50,844,097)
Interest accrued	13(a&b)	-		-	-	-
Dividend income	25	(12,024,359)		(233,873)	(11,870,624)	(13,578,784)
Effect of change in exchange rates		(785,406)		9,588,468	(785,406)	9,588,468
		274,140,738		535,810,283	231,540,332	513,821,895
<i>Changes in working capital:</i>						
-Decrease/(Increase) in receivables and prepayments		7,743,558		59,818,613	7,424,981	60,199,195
- (Decrease)/Increase in payables and accruals		(1,174,698)		(7,496,200)	(1,203,448)	(7,227,896)
Net cash inflow from operations		280,709,598		588,132,696	237,761,866	566,793,194

SEYCHELLES PENSION FUND

STATEMENTS OF CASH FLOWS (CONT'D) - YEAR ENDED 31ST DECEMBER 2016

Notes	THE GROUP		THE FUND	
	2016	2015	2016	2015
	SCR	SCR	SCR	SCR
Cash flows from investing activities				
Purchase of property and equipment	7	(7,236,538)	(26,022,326)	(7,236,538)
Purchase of investment properties	9	(88,032,732)	(338,076,894)	(88,032,732)
Proceeds from disposal of property and equipment		322,760	23,744	323,276
Loan to subsidiary		-	-	(857,254)
Purchase of financial assets	13(a&b)	(569,953,860)	(659,947,666)	(585,950,167)
Investment in associates adjusted	12	(198,310,182)	6,270,270	(139,213,452)
Proceeds from redemption of financial assets	13(a&b)	473,635,495	439,452,417	473,635,495
Interest received	24	46,018,333	50,844,097	46,018,333
Dividend received	25	12,024,359	233,873	11,870,624
Net cash outflow from investing activities		(331,532,364)	(527,222,486)	(288,585,161)
Net (decrease)/increase in cash and cash equivalents		(50,822,766)	60,910,211	(50,823,296)
Effect of change in exchange rates		785,406	(9,588,468)	785,406
Cash and cash equivalents at January 1,		118,400,486	67,078,743	118,091,715
Cash and cash equivalents at December 31,	28	68,363,126	118,400,486	68,053,825
				118,091,715

The notes on pages 10 to 43 form an integral part of these financial statements.
 Auditor's Report on pages 3 and 4.

SEYCHELLES PENSION FUND
NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31st DECEMBER 2016

1. General Information

SPF operates a defined benefit pension system where SPF guarantees a monthly pension for life computed under a pre-determined formula and not paid from contributions made. Membership is mandatory for every worker who is a citizen of Seychelles. Self employed persons can also become a member of SPF and pay contributions.

2. Funding Policies of SPF

The overriding principle of the funding policy is that investment must yield maximum returns to strengthen the financial position of SPF to be able to meet its objectives. Funds which are not required for current benefit payments or administration expenses must be invested to provide return to assist in sustaining SPF in the medium to long-term.

The main objective of the funding policy is to invest the assets so as to ensure that the SPF will always be able to meet its obligations to its members, for payment of all benefits. Subject to this primary objective, the Board of Trustees aim to optimize returns to its members. Contribution rates and interest payable decisions are determined by the Minister upon recommendation of the Board. Pensions are also indexed to the rate of inflation each year up to a maximum of 5%.

Investments are in bank deposits, Treasury bills and Bonds, equity, commercial, residence and industrial properties, housing and direct lending provided the Board is satisfied that there is sufficient security and due diligence have been made on the viability of the investments.

3 Valuation of the Fund

Under Section 55 of the Seychelles Pension Fund Act 2005, the Board of Trustees is required to make an actuarial evaluation of its assets and liabilities every 3 years. The latest actuarial review report was at December 31, 2016. See details of actuary evaluation in Note 20.

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

4 PRINCIPAL ACCOUNTING POLICIES

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

(a) Basis of preparation

These Financial Statement comply with the “Seychelles Pension Fund Act, 2005” and have been prepared in accordance with International Financial Reporting Standards (IFRS). Comparative figures have been included to conform with any changes for the current year. The Financial Statements are prepared under the historical cost convention, except:

- (i) Land and buildings which are at revalued amounts;
- (ii) Investment properties stated at fair value;
- (iii) Available-for-sale financial assets stated at their fair value
- (iv) Held-to-maturity financial assets, relevant financial assets and financial liabilities are carried at amortised cost.
- (v) Investments in associates are carried at fair value through profit or loss. (Previously equity accounted.)

The consolidated financial statements are presented in Seychelles Rupees (SCR) and all values have been rounded up except when otherwise indicated.

(b) Basis of consolidation

The consolidated Financial Statements comprise the Financial Statements of the Group and its subsidiary as at December 31, 2016. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

SEYCHELLES PENSION FUND
NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31st DECEMBER 2016

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.

(b) Basis of consolidation (continued)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

(i) Standards, amendments to published standards and interpretations effective in the reporting period

The following amendments to IFRSs became mandatorily effective in the current year. All these amendments to IFRSs generally require full retrospective application (i.e. comparative amounts have to be restated), with some amendments requiring prospective application.

Kindly note: IFRS 14 Regulatory Deferral Accounts is also effective for an entity's first IFRS financial statements for annual periods beginning on or after 1 January 2016; however, it is not applicable to The Seychelles Pension Fund as the Group is not a first-time adopter of IFRSs.

Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception (Effective for annual periods beginning on or after 1 January 2016)

The amendments clarify that the exemption from preparing consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all its subsidiaries at fair value in accordance with IFRS 10. Consequential amendments have also been made to IAS 28 to clarify that the exemption from applying the equity method is also applicable to an investor in an associate or joint venture if that investor is a subsidiary of an investment entity that measures all its subsidiaries at fair value.

The amendments further clarify that the requirement for an investment entity to consolidate a subsidiary providing services related to the former's investment activities applies only to subsidiaries that are not investment entities themselves.

SEYCHELLES PENSION FUND
NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31st DECEMBER 2016

4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Moreover, the amendments clarify that in applying the equity method of accounting to an associate or a joint venture that is an investment entity, an investor may retain the fair value measurements that the associate or joint venture used for its subsidiaries.

Lastly, clarification is also made that an investment entity that measures all its subsidiaries at fair value should provide the disclosures required by IFRS 12 Disclosures of Interests in Other Entities.

The amendments apply retrospectively.

These amendments do not have a material effect on the group accounting as they are not relevant to the relationship between the Fund and its subsidiary (Opportunity Investment Company Limited.) The disclosure required has been provided in the notes to the financial statements in terms of IFRS 12. (Notes .10 & 11)

(ii) Standards, amendments to published standards and interpretations effective in the reporting period (continued)

**Amendments to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations
(Effective for annual periods beginning on or after 1 January 2016)**

The amendments to IFRS 11 provide guidance on how to account for the acquisition of an interest in a joint operation in which the activities constitute a business as defined in IFRS 3 Business Combinations. Specifically, the amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards (e.g. IAS 12 Income Taxes regarding recognition of deferred taxes at the time of acquisition and IAS 36 Impairment of Assets regarding impairment testing of a cash generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.

A joint operator is also required to disclose the relevant information required by IFRS 3 and other standards for business combinations.

The amendments apply prospectively to acquisitions of interests in joint operations (in which the activities of the joint operations constitute businesses as defined in IFRS 3) occurring from the beginning of annual periods beginning on or after 1 January 2016.

These amendments are not applicable to the Group, as there have been no acquisition of joint operations at year end.

**Amendments to IAS 1 Disclosure Initiative
(Effective for annual periods beginning on or after 1 January 2016)**

The amendments were a response to comments that there were difficulties in applying the concept of materiality in practice as the wording of some of the requirements in IAS 1 had in some cases been read to prevent the use of judgement. Certain key highlights in the amendments are as follows:

- An entity should not reduce the understandability of its financial statements by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.
- An entity need not provide a specific disclosure required by an IFRS if the information resulting from that disclosure is not material.

SEYCHELLES PENSION FUND**NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31st DECEMBER 2016****4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

In the consolidated financial statements of the Group amounts have been appropriately segregated so that immaterial information does not obscure material information by providing additional details regarding the items on the face of the financial statements that contain items with different names and functions in the notes to the financial statements.

**Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation
(Effective for annual periods beginning on or after 1 January 2016)**

The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

When the intangible asset is expressed as a measure of revenue. For example, an entity could acquire a concession to explore and extract gold from a gold mine. The expiry of the contract might be based on a fixed amount of total revenue to be generated from the extraction (for example, a contract may allow the extraction of gold from the mine until total cumulative revenue from the sale of gold reaches CU2 billion) and not be based on time or on the amount of gold extracted. Provided that the contract specifies a fixed total amount of revenue to be generated on which amortisation is to be determined, the revenue that is to be generated might be an appropriate basis for amortising the intangible asset; or

When it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively.

Depreciation is not provided for using revenue based methods, thus these amendments will have no effect on the Group.

(iv) Standards, amendments to published standards and interpretations effective in the reporting period(continued)

**Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants
(Effective for annual periods beginning on or after 1 January 2016)**

The amendments to IAS 16 Property, Plant and Equipment and IAS 41 Agriculture define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16, instead of IAS 41. In terms of the amendments, bearer plants can be measured using either the cost model or the revaluation model set out in IAS 16.

The produce growing on bearer plants continues to be accounted for in accordance with IAS 41.

As a transition provision on initial application, entities need not disclose the quantitative information required by paragraph 28(f) of IAS 8 for the current period. However, quantitative information for each prior period presented is still required.

Also, on the initial application of the amendments, entities are permitted to use the fair value of items of bearer plant as their deemed cost as at the beginning of the earliest period presented. Any difference between the previous carrying amount and fair value should be recognized in opening retained earnings at the beginning of the earliest period presented.

The Group owns no bearer plants, thus these amendments will have no effect on the Group.

**(v) Amendments to IAS 27 Equity Method in Separate Financial Statements
(Effective for annual periods beginning on or after 1 January 2016)**

SEYCHELLES PENSION FUND
NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31st DECEMBER 2016

4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

The amendments focus on separate financial statements and allow the use of the equity method in such statements. Specifically, the amendments allow an entity to account for investments in subsidiaries, joint ventures and associates in its separate financial statements:

- at cost,
- in accordance with IFRS 9 (or IAS 39 for entities that have not yet adopted IFRS 9), or
- using the equity method as described in IAS 28 Investments in Associates and Joint Ventures.

The same accounting must be applied to each category of investments.

The amendments also clarify that when a parent ceases to be an investment entity, or becomes an investment entity, it should account for the change from the date when the change in status occurs.

In the current year investments in associates have been accounted for in accordance with IAS 39, and investments in subsidiaries at cost. Previously investments in Associates were accounted for in terms of IAS 28 using the equity method. Please refer to note 10 for details regarding the change in accounting policy.

(vi) Standards, amendments to published standards and interpretations effective in the reporting period (continued)

Annual Improvements to IFRSs 2012 – 2014 Cycle

(Effective for annual periods beginning on or after 1 January 2016)

The Annual Improvements include amendments to a number of IFRSs, which have been summarised below.

Standard	Subject of amendment	Details
IFRS 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i>	Change in method of disposal	The amendments introduce specific guidance in IFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa), or when held for distribution accounting is discontinued
IFRS 7 <i>Financial Instruments: Disclosures</i> (with consequential amendments to IFRS 1)	Servicing contracts Applicability of the amendments to IFRS 7 on offsetting disclosure to condensed interim financial statements	Financial Instruments: Disclosures (with consequential amendments to IFRS 1) Servicing contracts Applicability of the amendments to IFRS 7 on offsetting disclosure to condensed interim financial statements The amendments (i) provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets; and (ii) clarify that the offsetting disclosures are not explicitly required for all interim periods. However, the disclosures may need to be included in the condensed interim financial statements to company with IAS 34 Interim Financial Reporting.
IAS 19 <i>Employee Benefits</i>	Discount rate: regional market issue	Employee Benefits Discount rate: regional market issue The amendments clarify that the high quality corporate bonds used to estimate the discount rate for post-employment benefits should be issued in the same currency as the benefits to be paid. These amendments would result in the depth of the market for high quality corporate bonds being assessed at currency level.
IAS 34	Disclosure of information included 'elsewhere in	Interim Financial Reporting Disclosure of information included 'elsewhere in the interim

SEYCHELLES PENSION FUND

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31st DECEMBER 2016

<i>Interim Financial Reporting</i>	<i>the interim financial report'</i>	financial report' The amendments clarify the requirements relating to information required by IAS 34 that is presented elsewhere within the interim financial report but outside the interim financial statements. The amendments require that such information be incorporated by way of a cross-reference from the interim financial statements to the other part of the interim financial report that is available to users on the same terms and at the same time as the interim financial statements.
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These amendments will have no impact on the group.

(vii) Standards, amendments to published standards and interpretations effective in the reporting period (continued)

IFRS 14 Regulatory Deferral Accounts (Effective for first annual IFRS financial statements with annual periods beginning on or after 1 January 2016)

IFRS 14 specifies the accounting for regulatory deferral account balances that arise from rate-regulated activities. The Standard is available only to first-time adopters of IFRSs who recognise regulatory deferral account balances under their previous GAAP. IFRS 14 permits eligible first-time adopters of IFRSs to continue their previous GAAP rate-regulated accounting policies, with limited changes, and requires separate presentation of regulatory deferral account balances in the statement of financial position and statement of profit or loss and other comprehensive income. Disclosures are also required to identify the nature of, and risks associated with, the form of rate regulation that has given rise to the recognition of regulatory deferral account balances.

IFRS 14 is effective for an entity's first annual IFRS financial statements for annual periods beginning on or after 1 January 2016.

IFRS 14 is not applicable to the Group due to the fact that they have not implemented IFRS for the first time in the current year.

(viii) Standards, Amendments to published Standard and Interpretations issued but not yet effective

IFRS 9 Financial instruments

Classification and measurement of financial assets

The standard states that all financial assets are measured at fair value on initial recognition, adjusted for transaction cost, if the instrument is not accounted for at fair value through profit or loss (FVTPL). Debt instruments are subsequently measured at FVTPL, amortised cost, or fair value through other comprehensive income (FVOCI), on the basis of their contractual cash flows and the business model under which the debt instruments are held. There is a fair value option (FVO) that allows financial assets on initial recognition to be designated as FVTPL if that eliminates or significantly reduces an accounting mismatch. Equity instruments are generally measured at FVTPL. However, entities have an irrevocable option on an instrument-by-instrument basis to present changes in the fair value of non-trading instruments in other comprehensive income (OCI) without subsequent reclassification to profit or loss.

Classification and measurement of financial liabilities

For financial liabilities designated as FVTPL using the FVO, the amount of change in the fair value of such financial liabilities that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation in OCI of the fair value change in respect of the liability's credit risk would create or enlarge an accounting mismatch in profit or loss. All other IAS 39 Financial Instruments: Recognition and Measurement classification and measurement requirements for financial liabilities have been carried forward into IFRS 9, including the embedded derivative separation rules and the criteria for using the FVO.

Impairment

The impairment requirements are based on an expected credit loss (ECL) model that replaces the IAS 39 incurred loss model. The ECL model applies to debt instruments accounted for at amortised cost or at FVOCI, most loan commitments, financial guarantee contracts, contract assets under IFRS 15 and lease receivables under IAS 17 Leases.

SEYCHELLES PENSION FUND
NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31st DECEMBER 2016

4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Early application is permitted for reporting periods beginning after the issue of IFRS 9 on 24 July 2014 by applying all of the requirements in this standard at the same time. Alternatively, entities may elect to early apply only the requirements for the presentation of gains and losses on financial liabilities designated as FVTPL without applying the other requirements in the standard. The amendment will have no impact on the group.

(xi) Standards, Amendments to published Standard and Interpretations issued but not yet effective (continued)

IFRS 15 Revenue from contracts with customers

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted and must be disclosed.

This standard will have an impact on the financial statements once implemented. Management is still in the process of determining the full impact implementation.

IFRS 16 Leases (Effective for annual periods beginning on or after 1 January 2019)

IFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. It will supersede the following lease Standard and Interpretations upon its effective date:

- IAS 17 Leases;
- IFRIC 4 Determining whether an Arrangement contains a Lease;
- SIC -15 Operating Leases – Incentives; and
- SIC -27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

Identification of a lease IFRS 16 applies a control model to the identification of leases, distinguishing between leases and service contracts on the basis of whether there is an identified asset controlled by the customer. Control is considered to exist if the customer has:

- a. the right to obtain substantially all of the economic benefits from the use of an identified asset; and
- b. the right to direct the use of that asset.

The Standard provides detailed guidance to determine whether those conditions are met, including instances where the supplier has substantive substitution rights, and where the relevant decisions about how and for what purpose the asset is used are predetermined.

Lessee accounting IFRS 16 introduces significant changes to lessee accounting: it removes the distinction between operating and finance leases under IAS 17 and requires a lessee to recognise a right-of-use asset and a lease liability at lease commencement for all leases, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any re-measurement of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others.

If a lessee elects not to apply the general requirements of IFRS 16 to short-term leases (i.e. one that does not include a purchase option and has a lease term at commencement date of 12 months or less) and leases of low value assets, the lessee should recognise the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis, similar to the current accounting for operating leases.

Lessor accounting In contrast to lessee accounting, the IFRS 16 lessor accounting requirements remain largely unchanged from IAS 17, which continue to require a lessor to classify a lease either as an operating lease or a finance lease.

SEYCHELLES PENSION FUND
NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31st DECEMBER 2016

4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

In addition, IFRS 16 also provides guidance on the accounting for sale and leaseback transactions. Extensive disclosures are also required by the new Standard.

(x) Standards, Amendments to published Standard and Interpretations issued but not yet effective (continued)

Due to the prominence of leasing transactions in the economy, many entities across different industries will be affected by IFRS 16. In some cases, the changes may be substantial and may require changes to the existing IT systems and internal controls. Entities should consider the nature and extent of these changes.

IFRS 16 is effective for reporting periods beginning on or after 1 January 2019 with early application permitted for entities that apply IFRS 15 at or before the date of initial application of IFRS 16. A lessee can apply IFRS 16 either by a full retrospective approach or a modified retrospective approach. If the latter approach is selected, an entity is not required to restate the comparative information and the cumulative effect of initially applying IFRS 16 must be presented as an adjustment to opening retained earnings (or other component of equity as appropriate).

Due to the fact that the Group has a large amount of lease contracts where they act as both lessee and lessor, this standard will have an impact on the financial statements once implemented. Management is in the process of determining the full impact of this standard.

Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions (Effective for annual periods beginning on or after 1 January 2018)

The amendments clarify the following:

1. In estimating the fair value of a cash-settled share-based payment, the accounting for the effects of vesting and non-vesting conditions should follow the same approach as for equity-settled share-based payments.

2. Where tax law or regulation requires an entity to withhold a specified number of equity instruments equal to the monetary value of the employee's tax obligation to meet the employee's tax liability which is then remitted to the tax authority (typically in cash), i.e. the share-based payment arrangement has a 'net settlement feature', such an arrangement should be classified as equity-settled in its entirety, provided that the share-based payment would have been classified as equity-settled had it not included the net settlement feature.

3. A modification of a share-based payment that changes the transaction from cash-settled to equity-settled should be accounted for as follows:

(i) the original liability is derecognised;

(ii) the equity-settled share-based payment is recognised at the modification date fair value of the equity instrument granted to the extent that services have been rendered up to the modification date; and

(iii) any difference between the carrying amount of the liability at the modification date and the amount recognised in equity should be recognised in profit or loss immediately.

The amendments are effective for annual reporting periods beginning on or after 1 January 2018 with earlier application permitted. Specific transition provisions apply.

This standard will have no impact on the Group, as they do not make share based payments.

Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Effective for annual periods beginning on or after a date to be determined)

The amendments deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. IAS 28 and IFRS 10 are amended, as follows:

SEYCHELLES PENSION FUND
NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31st DECEMBER 2016

4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(xi) Standards, Amendments to published Standard and Interpretations issued but not yet effective (continued)

IAS 28 has been amended to reflect the following:

- Gains and losses resulting from transactions involving assets that do not constitute a business between an investor and its associate or joint venture are recognised to the extent of unrelated investors' interests in the associate or joint venture.
- Gains or losses from downstream transactions involving assets that constitute a business between an investor and its associate or joint venture should be recognised in full in the investor's financial statements.

IFRS 10 has been amended to reflect the following:

- Gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the re-measurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

In December 2015, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Earlier application of these amendments is still permitted.

This amendment will have no impact on the Group as is currently structured.

Amendments to IAS 7 Disclosure Initiative (Effective for annual periods beginning on or after 1 January 2017)

The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendments do not prescribe a specific format to disclose financing activities; however, an entity may fulfil the disclosure objective by providing a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities.

The amendments apply prospectively for annual periods beginning on or after 1 January 2017 with earlier application permitted. Entities are not required to present comparative information for earlier periods.

The fund has no liabilities that arise from financing activities, thus this amendment will have no impact on the Group

Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses (Effective for annual periods beginning on or after 1 January 2017)

The amendments clarify the following:

1. Decreases below cost in the carrying amount of a fixed-rate debt instrument measured at fair value for which the tax base remains at cost give rise to a deductible temporary difference, irrespective of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use, or whether it is probable that the issuer will pay all the contractual cash flows;
2. When an entity assesses whether taxable profits will be available against which it can utilise a deductible temporary difference, and the tax law restricts the utilisation of losses to deduction against income of a specific type (e.g. capital losses can only be set off against capital gains), an entity assesses a deductible temporary difference in combination with other deductible temporary differences of that type, but separately from other types of deductible temporary differences;
3. The estimate of probable future taxable profit may include the recovery of some of an entity's assets for more than their carrying amount if there is sufficient evidence that it is probable that the entity will achieve this; and
4. In evaluating whether sufficient future taxable profits are available, an entity should compare the deductible temporary differences with future taxable profits excluding tax deductions resulting from the reversal of those deductible temporary differences.

The amendments apply retrospectively for annual periods beginning on or after 1 January 2017 with earlier application permitted.

SEYCHELLES PENSION FUND**NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31st DECEMBER 2016****4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

This standard will have no impact on the Group as it currently stands due to the fact that they do not have unrealized losses and are not subject to taxation.

(c) Property, plant and equipment

Land and building, held for use in the production or supply of goods or for administrative purposes, are stated at their fair value, based on bi-annual valuations, by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets carrying amount or recognized as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Increases in the carrying amount arising on revaluation are credited to revaluation surplus in the statements of net assets available for benefits. Decreases that offset previous increases of the same asset are charged against revaluation surplus in the statements of net assets available for benefits directly; all other decreases are charged to the income and Expenditure Accounts.

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

	Years
Buildings	50
Improvement	15
Equipment	5
Furniture & Fittings	10
Motor Vehicle	5

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

Gains and losses on disposals of property and equipment are determined by comparing proceeds with carrying amount and are included in the Income and Expenditure Account. On disposal of revalued assets, the amounts included in revaluation surplus are transferred to retained earnings.

(d) Investment properties

Properties held to earn rentals/or for capital appreciation or both are classified as investment properties. Investment properties are carried at fair value, representing open-market value determined bi-annually by external valuers and subject to yearly reviews by the valuers. Changes in fair values are recognized in the Income and Expenditure Account and subsequently in net assets available for benefits.

Investment properties are transferred from property and equipment when they cease to meet the recognition criteria.

(e) Investment in subsidiary**Separate financial statements of the Fund**

Investment in subsidiary is carried at cost. The carrying amount is reduced to recognize any impairment in the value of individual investments.

SEYCHELLES PENSION FUND
NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31st DECEMBER 2016

(f) Consolidated financial statements

Subsidiaries are all entities (including special purpose entities) over which the Group has control. The Group controls an entity when it is exposed to or has rights to variable returns from its investment with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for acquisition of subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group.

The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquire either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. Subsequent to acquisition, the carrying amount of non-controlling interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquire over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in the income and expenditure account.

Inter-entity transactions, balances and unrealized gains on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(g) Transactions and non-controlling interests

The Group treats transactions with non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of the net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(h) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial assets. In addition, any amounts previously recognized in the other comprehensive income are reclassified to the income and expenditure account.

(i) Investment in associates

Separate financial statements of the Fund

In the separate financial statements of the investor, investments in associated companies are carried fair value. (Previously at cost)

SEYCHELLES PENSION FUND
NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31st DECEMBER 2016

4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(j) Investment in associates (Continued)

Consolidated financial statements

An associate is an entity over which the Group has significant influence but not control, or joint control, generally accompanying a shareholding between 20% and 50% of the voting rights. Investments in associates are accounted for at fair value in the current year. Previously investments in associates were accounted for by the equity method except when classified as held-for-sale.

Any excess of the cost of the acquisition and the Group's share the net fair value of the associate's identifiable assets and liabilities recognized at the date of acquisition is recognized as goodwill which is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of identifiable assets and liabilities over the cost of acquisition, after assessment, is included as income in the determination of the Group's share of the associate's profit or loss.

Unrealised profits and losses are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, appropriate adjustments are made to the financial statements of associates to bring the accounting policies used in line with those adopted by the Group.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized is reclassified to the income and expenditure account as appropriate.

(k) Financial assets

The Group classifies its financial assets into the following categories: held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of the investments at initial recognition and re-evaluates this at every reporting date.

(i) Held-to-maturity

Held-to-maturity investments are non-derivatives financial assets with fixed or determinable payments and fixed maturities that the Group has the positive intention and ability to hold to maturity. Held-to-maturity investments are recognized initially at fair value plus directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised costs using the effective interest method less any impairment.

(ii) Available-for-sale-financial assets

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

Recognition and measurement

Purchases and sales of available-for-sale financial assets are recognized on trade-date (or settlement date), the date on which the Group commits to purchase or sell the asset. They are initially measured at fair value plus transaction costs. Available-for-sale financial assets are subsequently carried at their values.

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

Unrealised gains and losses arising from changes in the fair value of financial assets classified as available-for-sale are recognized in equity. When financial assets classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income and expenditure account as gains and losses on financial asset.

SEYCHELLES PENSION FUND
NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31st DECEMBER 2016

4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(k) Financial assets (Continued)

(ii) Available-for-sale-financial assets (Continued)

De-recognition

Available-for-sale financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Impairment of financial assets

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

(l) Contributions receivable

Contributions receivable are recognized when due. Contributions receivable are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

The nominal value of contributions receivable is assumed to approximate its fair value.

(m) Benefits payable

Benefits payable are stated at their nominal value.

The nominal value of benefits payable is assumed to approximate its fair value.

(n) Receivables

Receivables and prepayments are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables.

The carrying amounts of receivables are assumed to approximate their fair values.

(o) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of 3 months or less.

SEYCHELLES PENSION FUND
NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31st DECEMBER 2016

4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(p) Foreign currencies

Functional and presentation currency

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

Transaction and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or cost'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other (losses)/gains net'.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Non-monetary items that are measured at fair value in foreign currency are translated using the exchange rates at the date the fair value was determined.

Translation difference on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

(q) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

(r) Leases

Leases where a significant portion of risks and rewards of ownership are retained by lessor are classified as operating leases. Lease rental charges are charged to the Income and Expenditure Account on a straight-line-basis over the period over the period of lease. The amount paid at inception by the Fund to acquire lease interest on land has been capitalized and accounted as deposit on leasehold land and depreciated over the lease term.

(s) Interest and income

Revenue after eliminating revenue within the Group comprises:

- (i) Interest income on a time-portion basis using the effective interest method. When a receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate, and continues unwinding the discount as interest income. Interest income on impairments is recognized either as cash is collected or on a cost-recovery basis as conditions warrant;
- (ii) Dividend income - when the shareholder's right to receive payment is established; and
- (iii) Rental income - as it accrues based on the terms of the rental contract.

SEYCHELLES PENSION FUND**NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31st DECEMBER 2016****4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)****(o) Retirement benefit obligations**

Defined contribution plans are retirement benefit plans under which amounts to be paid as retirement benefits are determined by contributions to a fund together with investment earnings thereon.

Defined benefit plans are retirement benefit plans under which amounts to be paid as retirement benefits are determined by reference to a formula usually based on employees' earnings and/or years of service.

Actuarial present value of promised retirement benefits is the present value of the expected payments by a retirement benefit plan to existing and past employees, attributable to the service already rendered.

Vested benefits are benefits, the rights to which, under the conditions of a retirement benefit plan, are not conditional on continued employment.

Retirement benefit plans are normally described as either defined contribution plans or defined benefit plans, each having their own distinctive characteristics. Occasionally plans exist that contain characteristics of both. Such hybrid plans are considered to be defined benefit plans for the purposes of this standard.

(i) Defined benefit plan – Employees of the fund

As per the Employment Act of Seychelles, retirement benefit obligation is only paid to employees retiring after five years of continued service. This type of benefit has characteristic of a jubilee benefit. The entitlement to jubilee benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. In Seychelles, this is conditional on the employee remaining in employment for at least five years.

The obligation is calculated using a projected unit credit method, adjusted for a probability that the employee will remain in service up to 5 years. The management computed the obligation and did not utilise any external, independent actuaries. The obligation is calculated, along with unrecognised gains and losses which are recognised in the Income and Expenditure when incurred. Obligations are derecognised upon settlement or curtailment of the obligation.

(ii) Retirement benefit plans – The Fund

Retirement benefit plans are arrangements whereby an entity provides benefits for employees on or after termination of service (either in the form of an annual income or as a lump sum) when such benefits, or the contributions towards them, can be determined or estimated in advance of retirement from the provisions of a document or from the entity's practices.

Retirement benefit plans are normally described as either defined contribution plans or defined benefit plans, each having their own distinctive characteristics. Occasionally plans exist that contain characteristics of both. Such hybrid plans are considered to be defined benefit plans for the purposes of this Standard

(p) Tax

The Fund is exempt from tax.

(q) Accruals

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

SEYCHELLES PENSION FUND
NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31st DECEMBER 2016

5. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial and non-financial risks. A description of the significant risk factors is given below together with the risk management policies applicable.

(a) Investment risk

The Various risks directly linked to the investments constitute by far the main threat to the Fund's activities. Sustained poor performance would lead to returns to members and ultimately to benefit reduction or to increased employer contributions. Traditionally the contributions are fixed according to pre-established rates. In general, therefore, the option to increase contributions is to be considered as a risk measure of last resort and the Fund prefers a prudent approach to asset management that is likely to generate moderate, regular returns. The primary control measure is the regular appraisal of the Fund's assets and investment strategy by the Board of Trustee upon the advice of the Actuary and other external advisors as appropriate.

The following types of investment risk can be justified:

(i) Interest rate risk

The risk that falling interest rates will reduce investment income on the assets, or that rising interest rates will increase debt servicing costs or lead to falling values of fixed income instruments.

The Fund finances its operating through operating cash flows which are principally denominated in Seychelles Rupee.

Several specific risk measures may be cited:

- The Fund's primary interest rate risk relates to interest-bearing investments. The information on maturity dates and effective interest rates of financial assets are disclosed under note 11.
- The Fund does not generally borrow, so the cost of borrowing is nil and unaffected by rate rises.
- The loan portfolio is composed mainly of loans at "fixed" rates; although these rates are adjusted where the spread between the SPF rates and bank rates becomes too significant, there is a certain inertia that tends to protect the Fund from sudden or temporary falls. Additionally, penalties apply on early repayments to discourage clients from switching loan provider.

(b) Sensitivity analysis

If interest rates have been 100 basis points higher/lower and all other variables were kept constant, the Fund's surplus for the year ended December 31, 2016 would be impacted as follows:

(i) Market	Held - Maturity Financial Assets	
	2016	2015
	SCR' 000	SCR' 000
Impact on surplus for the year (+/- 100 basis points)	3,650	2,471

(ii) Market risk

The risk that a sudden fall in asset values restricts the Fund's ability to pay benefits.

There are several ways in which the Fund manages this risk:

- Diversification – the assets are held in a wide range of different investments, thus limiting the probability of all assets falling in values simultaneously. However, there are few investment mediums.
- Liquidity – great care is taken to ensure that the Fund should not need to realize potentially volatile assets when their values are depressed.

SEYCHELLES PENSION FUND
NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31st DECEMBER 2016

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

The Fund is exposed to equity securities price risk because of investments held by the Fund and classified on the statement of net assets available-for-sale.

The table below summarises the impact of increases/decreases in fair value of the investments on the fund's fair value of financial assets. The analysis is based on the assumption that the fair value had increased/decreased by 5%.

Liquidity Risk	THE GROUP AND THE FUND	
	2016	2015
	SCR' 000	SCR' 000
Available for sale financial assets	8,608	3,800

(ii) Liquidity risk

The risk that cash flow requirements will force the Fund to realize an investment on poor terms, either through the investment's unmarketability (a loan) or illiquidity (a building), or simply because the asset value is temporarily depressed (a share).

The fund controls this risk primarily via a detailed annual budget to ensure that the investment strategy will generate positive cash flows, including where necessary the proceeds of the sale of certain assets. Cash flow forecasts help the fund to take appropriate actions.

The Fund also has a portfolio of liquid assets, the maturities of which falls either before or concurrent to the maturity of its obligations.

Procedures have also been established throughout the Fund so that all users channel their requirements to the finance function. This ensures that budget exercise is carried out in an effective manner.

Management monitors rolling forecasts of the Fund's liquidity reserve on the basis of expected cash flow and does not foresee any major liquidity risk over the short to medium term.

(iii) Credit risk

The risk that a member defaults on his contributions or a possible default by a tenant.

The risk is minimize by the fact that contributions or a possible default by a tenant.

The risk is minimised by the fact that contribution to the Fund by active workers are mandatory and contributions are deducted directly from employees salaries and remitted to the Fund. There is no history of material bad debts. The Fund has established procedures to ensure that rental agreements are made with tenants with an appropriate credit history and therefore risks of bad debts is considered to be low.

(iv) Currency risk

The Fund's activities are not exposed to currency risk. However, the Fund requires foreign exchange for developing its investment policies which are met through requests with financial institutions.

Only a small percentage of the portfolio is invested overseas mainly in listed foreign market and recently a foreign bank. The Fund's portfolio in key holdings yielded lower returns in 2014 compared to 2013.

SEYCHELLES PENSION FUND
NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31st DECEMBER 2016

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

(v) Counter party risk

The risk that an external fund manager defaults on its contractual responsibilities.

The risk is mitigated via the following measures:

- All fund managers are subject to rigorous assessment prior to appointment, and to regular appraisal thereafter,
- Overseas fund managers are generally large, well-established organisations with sound reputations and track records,
- The Fund seeks independent professional advise on overseas fund managers
- There is presently only one fund manager with whom the Fund has entrusted with investing in Mauritian market,
- The fund manager provides regular reports to the Fund based on an established investment policy.

(c) Economic risk

This corresponds to the risk that external economic events (other than those specifically related to investments) will weaken the Fund's financial position. Two examples of such risk are apparent:

(i) Industry risk

The risk that the economy collapses, leading to redundancies, early retirements and cessation of contributions, amongst other wider social, political and economic effects in Seychelles. The primary likely effect on the Fund of such an outcome would be an increase in benefits outgo (early retirements) and an accelerated shift from positive net cash flow to negative net cash flow. Cash flow analysis of this kind of scenario suggests that realization of assets of fund would provide the necessary liquidity to counter the cash flow need.

(ii) Inflation risk

Whilst the Central Bank does pursue of a policy of price stability, one cannot assume that a small isolated country such as Seychelles will always be able to control inflation. Inflation would not be necessarily be a problem for the Fund if it was accompanied by compensatory increase in one could not necessarily always count on the alignment of inflation and yields.

The Fund protects itself in the following ways:

- Real assets (shares, property) would be expected to appreciate in value both in terms of capital and income growth,
- Overseas holdings would tend to buoy up returns since one might expect local inflation to be closely linked to Rupee depreciation,
- When considering the purchase of Government debt instruments, the Fund demands a significant yield compensation for inflation risk on long term instruments.

(d) Operational risk

The risk that the Fund may incur financial losses due to negligence or fraud.

Operational risk is, however, remote since the company's operations are supported by a strong management structure and controls in place. These activities are under close supervision of management, in turn monitored by the Board.

There is also an internal audit department who assesses the existing situation and reinforce any shortfalls that could come across.

**SEYCHELLES PENSION FUND
NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31st DECEMBER 2016****5. FINANCIAL RISK MANAGEMENT (CONTINUED)****(e) Legal risk**

The risk that the Fund commits an act that is subsequently deemed illegal and would be subject to penalty.

This risk is somewhat limited since the Fund is governed principally under a single, clear piece of legislation: The "Seychelles Pension Act, 2005". All the activities of the Fund are regulated by the Act, and the Fund are regulated by the Trustees is accountable to the Minister of Finance and the National Assembly.

(f) Disaster recovery risk

The risk that a disaster wipes out the Fund's capacity to continue its operations.

The most obvious example is that the offices burn down, destroying all written and electronic records.

The written records would be lost if the entire offices were destroyed. Such loss is not considered to be significant, although it would represent an inconvenience. This is because all major files are stored electronically and centrally, and are subject to rigorous external backup procedures. In particular, the backups are also held off-site. On a related note, internet security issues have also been addressed: a single, isolated PC is dedicated to internet, and all external disks must be scanned on this machine prior to contact with the network. The presence of an IT Officer adds to the security of the back-ups of electronic information.

As to the risk to the Fund of death of one or more of its staff, it is our view that there is no "key man" such that this would materially affect the Fund.

(g) Reputational risk

The risk that some act of the Fund be badly perceived by the public, thus damaging the Fund's capacity to operate.

It is to be hoped that the Fund's corporate governance framework will protect it from this risk. Although reputation is a fragile quality, the Fund has established a sound reputation, and has promoted transparency in its dealings with members, notably via the dissemination of explanatory literature and through the clarity and completeness of its annual report and financial statements.

The Fund also plans to introduce a culture of best practice in very segment of its activities by benchmarking on whatever appropriate procedures are applied by enterprises around the world (e.g. custodians, independent fund managers, application of International Accounting Standards, etc.)

SEYCHELLES PENSION FUND**NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31st DECEMBER 2016****6. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

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

Critical accounting estimates and assumptions

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

(a) Held-to-maturity investments

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

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

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

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

(c) Impairment of other assets

At each balance sheet date, management reviews and assesses the carrying amounts of the other assets and where relevant writes them down to their recoverable amounts based on the best estimates.

(d) Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices. The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period.

The Fund uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

SEYCHELLES PENSION FUND**NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31st DECEMBER 2016****6. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)**

The following table shows an analysis of financial instruments recorded at fair value by level of their value hierarchy:

	THE GROUP			
	Level 1	Level 2	Level 3	Total
<i>At December 31, 2016- GROUP</i>				
Available-for-sale	18,821,884	54,281,650	-	73,103,534
<i>At December 31, 2016- FUND</i>				
Available-for-sale	21,712,134	54,281,650	-	75,993,784
<i>At December 31, 2015 – The Group and the Fund</i>				
Available-for-sale	16,846,751	-	-	16,846,751

(e) Retirement benefit obligation

The cost of defined benefit pension plans has been determined using the method as per the Seychelles Employment Act and the Directors have estimated that the amount of liability provided will not be materially different had it been computed by an external Actuary.

(f) Limitations of sensitivity analysis

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

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

(g) Contributions receivable

As per Seychelles Pension Fund Act 2005, contributions are due on the 21st day of the following month. At year end, contributions for the month of December are due to be paid in January the following year which is not in the financial year. Therefore an estimate is made based on the actual contribution received of the preceding months. The amount of contribution receivable is as per note 13, the sum of SCR 17.247m.

(g) Provision for bad debts, rent receivable

In the current year bad debts have been provided for by adjusting the debtors balance in order to align the current debtors days to historical rates. In 2017 a more accurate method of provision will be approved for use.

SEYCHELLES PENSION FUND
NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31ST DECEMBER 2016

7. PROPERTY AND EQUIPMENT - THE GROUP AND THE FUND

(a) December 31, 2016

	Freehold land		Buildings on leasehold land and improvements		Equipment		Furniture and fittings		Motor vehicles		Total
	SCR	SCR	SCR	SCR	SCR	SCR	SCR	SCR	SCR	SCR	
COST AND VALUATION											
At January 1, 2016	–	18,916,202	13,204,364	29,159,964	2,544,654	63,825,184					
Additions		2,067,945	2,628,641	1,949,757	590,196	7,236,538					
Revaluation (note 21)						–					
Transfer											
Disposals											
Transfers to investment properties (note 9)											
At December 31, 2016	–	20,984,147	15,793,073	31,083,346	2,948,739	70,809,306					
<i>Analysed as:</i>											
- Cost	–	19,264,489	15,793,073	31,083,346	2,948,739	69,069,648					
- Valuation	–	1,719,660	–	–	–	1,719,660					
	–	20,984,149	15,793,073	31,083,346	2,948,739	70,809,308					
DEPRECIATION											
At January 1, 2016	–	11,893,963	5,054,022	3,703,159	1,050,767	21,701,901					
Charge for the year		1,398,947	1,561,229	2,063,218	531,345	5,554,739					
Disposal adjustments											
Transfers to investment properties (note 9)											
Transfer											
At December 31, 2016	–	13,292,900	6,575,566	5,744,751	1,396,000	27,009,238					
NET BOOK VALUE											
At December 31, 2016	–	7,691,247	9,217,487	25,338,595	1,552,738	43,800,068					

(b) The Board is of the opinion that the fair value of property and equipment at 31ST December 2016 does not differ materially from their carrying amounts.

7. PROPERTY AND EQUIPMENT - THE GROUP AND THE FUND (CONT'D)

(c) December 31, 2015

	Buildings on leasehold land and improvements			Equipment	Furniture and fittings			Motor vehicles	Total
	Freehold land	SCR	SCR		SCR	SCR	SCR		
COST AND VALUATION									
At January 1, 2015	3,678,856	31,390,989	9,782,212	8,477,001	1,415,810	54,744,868			
Additions	-	-	3,694,225	21,199,258	1,128,844	26,022,326			
Revaluation (note 21)	-	-	-	-	-	-			
Transfer	-	-	(98,714)	(396,759)		(495,472)			
Disposals	-	-	(173,359)	(119,536)		(292,896)			
Transfers to investment properties (note 9)	(3,678,856)	(12,474,787)	-	-	-	-			
At December 31, 2015	-	18,916,202	13,204,364	29,159,964	2,544,654	63,825,184			
<i>Analysed as:</i>									
- Cost	-	17,196,543	13,204,364	29,159,964	2,544,654	62,105,525			
- Valuation	-	1,719,660	-	-	-	1,719,660			
	-	18,916,203	13,204,364	29,159,964	2,544,654	63,825,185			
DEPRECIATION									
At January 1, 2015	-	15,334,590	4,014,445	1,876,346	653,182	21,878,563			
Charge for the year	-	2,092,737	1,284,794	2,041,770	397,585	5,816,886			
Disposal adjustments	-	-	(170,351)	(50,551)	-	(220,902)			
Transfers to investment properties (note 9)	-	(5,533,374)	-	-	-	(5,533,374)			
Transfer	-	-	(74,866)	(164,405)	-	(239,271)			
At December 31, 2015	-	11,893,953	5,054,022	3,703,159	1,050,767	21,701,901			
NET BOOK VALUE									
At December 31, 2015	-	7,022,250	8,150,342	25,456,805	1,493,887	42,123,283			

(d) If property had been carried at cost less accumulated depreciation, the carrying amount would have been as follows:

	Land	Buildings	2016		2015	
			SCR	SCR	SCR	SCR
Cost	-	19,264,489	19,264,489		17,196,543	
Accumulated depreciation	-	(11,558,693)	(11,558,693)		(9,171,523)	
Net book value	-	7,705,796	7,705,796		8,025,020	

SEYCHELLES PENSION FUND
NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31ST DECEMBER 2016

7. PROPERTY AND EQUIPMENT - THE GROUP AND THE FUND (CONT'D)

- (e) The land and buildings were valued at December 31, 2016 by independent valuers. The revaluation surplus was credited to revaluation reserve (note 21).
- (f) The fair value of land and buildings fall within category level 3 of the fair value hierarchy. No changes noted during the year.
- (g) The fair value of freehold land ranged between SR 3,000 to SR 11,000 per square metre for the properties transferred from SSF investment Fund.

8. ACCOUNTING FOR ASSOCIATES AT FAIR VALUE

	SEYBREW	SACOS	TOTAL
	2016	2016	2016
SCR	SCR	SCR	
Opening balance	59,662,908	50,669,710	110,332,618
Share of results			
Dividends paid	(4,971,909)	(3,268,363)	(8,240,272)
Movements	144,185,361	62,365,093	206,550,454
Closing Fair value at 31 December	198,876,360	109,766,440	308,642,800

The application from equity accounting to fair value accounting in respect of SEYBREW and SACOS takes in to effect from 2016. The associated companies are listed on TROPEX stock exchange thus sufficient market data has become available to objectively value the investment at market rate. Retrospective application is impracticable due to the fact that historical market information was not available, this is due to the fact that the companies have just listed on the Seychelles Stock Exchange.

9. INVESTMENT PROPERTIES

(a) Fair value

	THE FUND	
	2016	2015
	SCR	SCR
At January 1,		
Addition - Work in progress	1,197,182,770	775,067,397
Increase in fair value	88,032,732	338,076,894
Net transfer from property and equipment (note 6 (a))	55,240,057	73,418,211
At December 31,		
		10,620,268
	1,340,455,559	1,197,182,770

- (b) The value of the investment properties is subject to reviews every two years and the last one was carried out at December 31, 2016 by Gustave Larue, Gerard Renaud and Bryan Felix, independent professionally qualified valuers, on an open-market basis with existing tenancies. Two valuers were taken to value each property and the average was accounted for at the end of the reporting period.
- (c) The fair value of the properties has been valued by external valuers and fall within category level 3 of the fair value hierarchy. No changes noted during the year.
- (d) If Investment properties had been carried at cost less accumulated depreciation, the carrying amount would have been as follows:

	2016	2015		
	Land	Building	Total	Total
Cost	176,774,099	755,237,622	932,011,721	646,015,314
Accumulated depreciation	-	(45,327,961)	(45,327,961)	(30,223,209)
Net book value	176,774,099	709,909,661	886,683,760	615,792,105

- (e) The following amounts have been recognised in profit or loss:

	THE GROUP AND THE FUND	
	2016	2015
	SCR	SCR
Rental income		
Direct operating expenses generating rental income	92,858,203	74,369,504
Profit arising from investment property	(28,413,320)	(20,341,435)
	64,444,883	54,028,069

- (f) As at 31 December 2016, several Investment properties under construction are carried at cost **SR 67m** (2015: SR 338m) because their fair values could not be reliably measured.

SEYCHELLES PENSION FUND

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31ST DECEMBER 2016

10. DEPOSIT ON LEASEHOLD CARAVELLE HOUSE

(a) Deposit was paid to Mascareignes Properties Limited in 2005 on a long term lease of 97 years. The initial deposit on the lease amounting to SR 50 million is being amortised over the term of lease and the movement is as follows:

	THE GROUP AND THE FUND	
	2016	2015
Cost		
At Janauary 1 and December 31,	50,000,000	50,000,000
Amortisation		
At January 1,	5,283,505	4,768,004
- Prior year adjustment	-	37.00
Charge for the year	515,464	515,464
At December 31,	5,798,969	5,283,505
Net Book Value		
At December 31,	44,201,031	44,716,495

11. INVESTMENT IN SUBSIDIARY

	THE FUND
	2016 & 2015
	SCR
At January 1, and December 31, Investment in subsidiary	6,275,370

(a) Details of the Fund's subsidiary, Opportunity Investment Company Limited (OICL), are given below:

	2016 & 2015
Class of shares held:	Ordinary
Year end:	December 31,
Proportion of ownership interest and voting power held (direct):	51%
Country of incorporation and residence:	Seychelles
Activity:	Investment holding

**SEYCHELLES PENSION FUND
NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31ST DECEMBER 2016**

11. INVESTMENT IN SUBSIDIARY

(b) Summarised financial information in respect of the Group's subsidiary is set out as below:

(i) Summarised statement of Financial position and statement of profit or loss and other income:

Year	Name of Company	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Profit for the year and other comprehensive income for the year	Total comprehensive income for the year
		SCR'000	SCR'000	SCR'000	SCR'000	SCR'000	SCR'000	SCR'000
2016	OICL	371	106,047	29	-	6,439	6,404	6,404
2015	OICL	661.07	105,759	26	-	6,435	6,390	6,390

(ii) Summarised cash flow information:

Year	Name of Company	Operating activities	Investing activities	Financing activities	Net change in cash and cash equivalents
		SCR'000	SCR'000	SCR'000	SCR'000
2016	OICL	6,697	(287)	(6,409)	1
2015	OICL	5,921	(1,680.89)	(4,285)	(45)

12. INVESTMENT IN ASSOCIATES

(a) THE FUND - AT FAIR VALUE(PRIOR YEAR at COST)

	2016	2015
	SCR	SCR
At January 1, and December 31,	198,876,360	59,662,908
	<hr/>	<hr/>
	2016	2015
	SCR	SCR
At January 1,	110,332,618	100,494,512
Revaluation to fair value - Seybrew	139,213,452	6,270,270
Revaluation to fair value - SACOS(Atributable to Group)	13,303,921	
Revaluation to fair value - SACOS(Atributable to Non-Controlling interest holders)	45,792,809	
Share of results for the year		16,942,748
Dividends		(13,374,912)
At December 31,	308,642,800	110,332,618
	<hr/>	<hr/>

SEYCHELLES PENSION FUND

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31ST DECEMBER 2016

12. INVESTMENT IN ASSOCIATES (CONTINUED)

(c) Details of the Fund's associates at the end of the reporting period:

Name	At December 2016		At December 2015	
	SACOS Group Limited		Seychelles Breweries Ltd	SACOS Group Limited
	Principle Activities	SCR	SCR	SCR
Assets			411,748	682,171
Current assets	177,589	128,897	-	-
Non-current assets	238,992	536,403	-	-
Liabilities	-	-	117,994	520,914
Total Current liabilities	93,777	95,349		
Total non-current liabilities	31,329	414,380		
Revenues	179,623	60,810	233,435	148,688
Profit	-	-	48,435	21,533
Profit/Loss from continuing operations	33,187	30,825	-	-
Other comprehensive income	-	285	-	-
Total comprehensive income	-	15,397	-	-
Proportion of ownership interest and voting rights (Direct)	26%	1%	26%	1.33%
Proportion of ownership interest and voting rights (Indirect)	-	37.87%	-	37.77%

(d) Investment in associates are accounted for using the fair value method.

The financial year-end date of Seychelles Breweries Ltd is 30th June. For the purposes of applying the fair value method of accounting, the audited financial statements of Seychelles Breweries Ltd for the year ended June 30, 2016 has been used and adjusted for significant transactions between that date and December 31, 2016 based on management's financial reports. Seybrew shares is

(e) listed on Trop-X, the Stock Exchange of Seychelles, was SR60 per share at December 31, 2016.

(f) At December 31, 2016, the fair value of the Fund's interest in SACOS Group Limited which is listed on Trop-X, the Stock Exchange of Seychelles, was SR 140 per share (2015: SR 140) based on the quoted market price available, which is a level 1 input in terms of IFRS 13. Seychelles Breweries Ltd is a private company and there is no quoted market price available for its shares.

(g) As at 31st December 2016, SPF holds 20.64% in SACOS in total of which 19.32% through OICL and 1.33% directly in SACOS. OICL holds 37.87% shares in total at SACOS. SPF and SWAN are represented by two directors respectively in OICL.

(f) The figures stated above are unaudited, taken from the management accounts of Seybrew and SACOS.

SEYCHELLES PENSION FUND

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31ST DECEMBER 2016

13. INVESTMENT IN FINANCIAL ASSETS

(a) THE GROUP

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

	Money markets	Held-to-Maturity	Available-for-sale	2016 Total	2015 Total
	SCR	SCR	SCR	SCR	SCR
At January 1,	354,226,951	282,534,566	126,200,741	762,962,258	540,954,498
Reclassification to Interest receivable		(6,524,412)	-	(6,524,412)	
Addition	121,640,285	404,692,391	59,617,492	585,950,167	659,947,666
Prior Period Error corrected through reserves	(3,719,660)	445,162	(12,721,810)	(15,996,307)	-
(Decrease) / increase in fair value (note 21)	-	5,364,316	1,476,761	6,841,077	(1,675,643)
Redemptions/Disposals	(228,859,729)	(241,897,837)	(2,877,930)	(473,635,495)	(439,452,417)
(Loss)/Gain on foreign exchange	730,241	(58,606)	462,468	1,134,103	(2,683,294)
Accrued interests	-	2,981,567	-	2,981,567	5,871,447
At December 31,	244,018,088	447,537,146	172,157,722	863,712,956	762,962,258

Analysed as follows:

Non-current	300,491,429	230,516,561
Current	563,221,527	532,445,698
	863,712,956	762,962,259

(b) THE FUND

	Money markets	Held-to-Maturity	Available-for-sale	2016 Total	2015 Total
	SCR	SCR	SCR	SCR	SCR
At January 1,	354,226,952	282,979,728	113,478,931	750,685,611	543,844,748
Reclassification to Interest receivable		(6,524,412)	-	(6,524,412)	-
Addition	121,640,285	404,692,391	59,617,492	585,950,167	644,780,768
(Decrease) / increase in fair value (note 21)	-	5,364,316	1,476,761	6,841,077	(1,675,642)
Redemptions/ Disposals	(228,859,729)	(241,897,837)	(2,877,930)	(473,635,495)	(439,452,417)
(Loss)/Gain on foreign exchange	730,241	(58,606)	462,468	1,134,103	(2,683,294)
Accrued interests	-	2,981,567	-	2,981,567	5,871,447
At December 31,	247,737,748	447,537,146	172,157,722	867,432,617	750,685,611

Analysed as follows:

Non-current	300,491,429	230,516,561
Current	566,941,187	520,169,050
	867,432,617	750,685,611

SEYCHELLES PENSION FUND**NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31ST DECEMBER 2016****13. INVESTMENT IN FINANCIAL ASSETS (CONTINUED)**

(c) Investments in money markets represent term deposits with banks with interest rates ranging from 2% (for USD account) and 4.50% to 8.15% (on local currency account) per annum (2015: USD 1.12%, SCR 5% to 10%).

(d) Held-to-maturity investments comprise treasury bonds with interest rates ranging from 4.50% to 7.50% per annum (2015 : 4% to 7.50%) and treasury bills from 5.66% to 7.83% per annum (2015 : 5.82% to 11.21%) maturity dates from (March 27, 2017 to May 16, 2021).\\

(e) Available-for-sale investments comprise foreign securities listed on overseas stock markets and an unquoted investment in a foreign bank. Hierarchy of fair value levels is detailed under note 5 (d).

(f) None of the financial assets are either past due or impaired.

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

	THE GROUP	THE FUND	THE GROUP	THE FUND
	2016	2016	2015	2015
	SCR	SCR	SCR	SCR
Seychelles Rupee	672,896,122	676,615,783	618,652,032	606,375,384
Mauritian Rupee	31,704,268	31,704,268	17,461,540	17,461,540
US Dollar	159,112,566	159,112,566	126,848,687	126,848,687
	863,712,956	867,432,617	762,962,259	750,685,611

14. Comparative figure (reclassification)

In order to enhance the relevance and comparability of the financial statements comparative figures have been restated. The reason for this is due to the fact that an amount previously classified as a loan with subsidiary is actually an investment in nature.

The change resulted in a reclassification of comparative information as shown below:

ASSETS	THE FUND
Non-current assets	2015
Investment in subsidiary	SCR
Loan to subsidiary	6,270,270
	(6,270,270)
	-

Please refer to note 11, "Investment in Subsidiary" for all the detailed disclosure required in terms of IFRS 12.

15. RECEIVABLES AND PREPAYMENTS

	THE GROUP		THE FUND	
	2016	2015	2016	2015
	SCR	SCR	SCR	SCR
Contributions receivables from members	17,247,016	15,509,927	17,247,016	15,509,927
Amount receivable from the Government of Seychelles	2,843,047	12,013,669	2,843,047	12,013,669
Interest receivable	29,199,886	14,353,309	29,199,886	14,353,309
Rental income receivable	8,511,090	6,764,032	8,511,090	6,764,032
Advance payment on capital projects	1,309,560	20,965,786	1,309,560	20,965,786
Prepayments	750,493	911,011	750,493	911,011
Other receivables	8,553,440	5,640,356	8,491,435	5,259,774
	68,414,532	76,158,090	68,352,527	75,777,508

(a) The carrying amount of trade and other receivables are denominated in Seychelles rupees and approximate their fair value.

(b) The contributions receivable from members are contributions for December 2016 due on the 21st day of January 2017.
The amount receivable from Government of Seychelles represents government pension (Special Pension/Entitlement and Early Retirement) which (c) SPF paid to its members on behalf of and refundable by the Government of Seychelles.

(d) Rental income receivable represents outstanding rent from SPF tenants.

(e) Other receivables comprise of sundry debtors, staff loan and debtors clearing.

(f) Provision for bad debts have been provided for total debt in excess of historic debtors days.

(g) The Group does not hold any collateral as security.

16. OTHER PAYABLES

	THE GROUP		THE FUND	
	2016	2015	2016	2015
	SCR	SCR	SCR	SCR
Rental deposits	9,240,809	9,147,461	9,240,809	9,147,461
Advance on rent	1,473,621	1,394,682	1,473,621	1,394,682
Accrued expenses	2,739,722	2,485,672	2,710,972	2,485,672
Retention payable	2,680,290	4,281,326	2,680,290	4,281,326
	16,134,442	17,309,140	16,105,692	17,309,140

(a) The carrying amount of other payables are denominated in Seychelles rupees and approximate their fair value.
(b) Other payables are denominated in Seychelles rupees.

SEYCHELLES PENSION FUND

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31ST DECEMBER 2016

17. RETIREMENT BENEFIT OBLIGATIONS

Retirement benefit obligations is in respect of length-of-service compensation as per the Seychelles Employment Act 1995 as amended.

(i) Amount recognised in the statement of financial position:

Present value of unfunded obligation

THE GROUP AND THE FUND	
2016	2015
SCR	SCR
3,768,878	2,792,256

(ii) Amount recognised in the statement of comprehensive income:

Current service cost
Interest cost
Settlement loss
Actuarial gains

THE GROUP AND THE FUND	
2016	2015
SCR	SCR
991,238	668,278
52,151	174,986.00
(66,769)	(11,108.00)
-	278,856.00
976,619.41	1,111,012

(iii) Movement in liability recognised in statement of financial position:

At January 01,
Total expenses as above
Settlement Cost
At December 31,

THE GROUP AND THE FUND	
2016	2015
SCR	SCR
2,792,258	2,449,617
976,619	1,111,015
-	(768,373)
3,768,878	2,792,258

(iv) The principal actuarial assumptions used were as follows:

Discount rate
Future salary increases
Years liability fall due
% of liability to fall due after 25 years

THE GROUP AND THE FUND	
2016	2015
%/year old	%/year old
6.41	6.41
8%	8%
25	25
100%	100%

The figure of 8% used to calculate future salary increases in no way commits the Company to such increase in salary and has been used for calculation purposes only.

18. MEMBERS' FUND

Member's fund represents the balance due to members who have contributed to the SPF (which also includes the Seychelles Pension Scheme from 1991). This includes mandatory and voluntary contributions from employer and employee and contributions from self-employed with accumulated interest over the years. The members fund is used to finance pension payment on a monthly basis and lump sum refunds for members not qualifying for a monthly pension. The total funds accumulated under members' fund is as follows;

Net members fund
Funds taken from investment returns
Members fund

THE FUND

2016
SCR
1,307,939,292
415,330,950
1,723,270,242

Details of members fund are as follows;
Mandatory contribution
Voluntary contribution
Interest on mandatory contributions
Interest on voluntary contributions

1,208,818,886
65,229,018
432,490,476.00
16,731,862
1,723,270,242

19. OTHER FUNDS

Contributions from Social Security Division (note (a) below)
Payments made for Social Security Pension

THE GROUP AND THE FUND	
2016	2015
SCR	SCR
532,099,144	423,649,081
(520,395,209)	(411,945,146)
11,703,935	11,703,935
71,215,276	71,215,276
333,452,765	333,452,765
43,489,567	43,489,567
459,861,543	459,861,543

Receipts from National Provident Fund (note (b) below)
SSF Investment Funds transferred to SPF
SPF contribution from Govt (note (c) below)

At 31ST December

SEYCHELLES PENSION FUND**NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31ST DECEMBER 2016****19. OTHER FUNDS (CONTINUED)**

(a) Under the new scheme of benefits payable to the members, the Social Security Fund refunds the whole of the social security pension to the Seychelles Pension Fund for payment of Social Security and Benefits to the members eligible for monthly pension.

(b) The National Provident Fund Act was repealed and after refunding the contributions to the persons entitled under the Act, the balance was transferred to Seychelles Pension Fund as required under Section 73(2) of the Seychelles Pension Fund Act, 2005.

(c) The SPF contribution from Government of Seychelles are funds received on the gross salary of members. None were received during the year under review (2015: Nil).

20. Valuation of net assets against actuarial value of promised retirement benefits

As per IAS 26, the actuary conducted a comparison of net assets of SCR.2,618b and actuarial value of promised retirement benefit of SCR.6,074b for the period up to 2050. The accrued benefits are separated between vested and non vested benefit. The vested benefits are the present value of all expected future payments to current pensioners and future spouses' pension on the death of current pensioners. Non vested benefit is a measure of the value of pension amounts that is accrued to contributing members at valuation date. The salary assumptions used to calculate the present value of non vested benefit is based on current salary assuming a salary increase of 5% per annum, pension indexation of 3% per annum after commencement and a discount rate of 7% per annum. Since SPF is only 10 years old and currently immature and has over 35% of its income from investment returns, the difference is immaterial. The Actuary has confirmed that such difference are normal and provided that periodic adjustments are made in contribution rates as per his recommendations, over the next 18 years. SPF will be able to meet all benefit obligations. The Actuary has also confirmed the following;

1. SPF continues to be in a sound financial position.
2. As at 31st December 2016 the level of SPF's total funds represents 11 times the benefit outgo today.
3. Over the years as SPF matures it is expected to become relatively stable especially when the contribution rate would have increased to 9.5% of salaries by the year 2035.

21. RESERVE FUND

THE GROUP AND THE FUND	
2016 & 2015	
SCR	
At January 1, and December 31,	14,568,591

The Chief Executive Officer, acting on the advice of the Board of Trustees, has not made any annual transfer which up to the year 2005 was 30% of the difference between the interest earned by the Fund and the interest paid to the members as there was no immediate need to do so.

The transfer to the Reserve Fund was made in order to increase the distributable reserve.

22. OTHER RESERVE**(a) THE GROUP**

	2016				2015
	Revaluation reserve	Fair value reserve	Other reserves	Total	Total
	SCR	SCR	SCR	SCR	SCR
At January 1,	76,991,875	5,405,270	12,623,756	95,020,901	31,580,919
Net change in revaluation reserve	(7,044,585)	934,680	(9,327,032)	(15,436,937)	52,491,868
Correction between reserves	44,282	(1,129,080)	1,084,799	-	-
Deposits on equity	-	-	-	-	10,623,756
Deposits on share	-	-	-	-	2,000,000
Net change in fair value of financial assets (note 12)	-	6,841,077	-	6,841,077	(1,675,642)
At December 31,	69,991,572	12,051,946	4,381,523	86,425,040	95,020,901

(b) THE FUND

	2016				2015
	Revaluation reserve	Fair value reserve	Other reserves	Total	Total
	SCR	SCR	SCR	SCR	SCR
At January 1,	69,947,290	6,339,950	-	76,287,240	25,471,014
Net change in revaluation reserve	-	-	-	-	52,491,868
Correction between reserves	44,282	(1,129,080)	1,084,799	-	-
Net change in fair value of financial assets (note 12)	-	6,841,077	-	6,841,077	(1,675,642)
At December 31,	69,991,572	12,051,946	1,084,799	83,128,316	76,287,240

SEYCHELLES PENSION FUND**NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31ST DECEMBER 2016****23. NON-CONTROLLING INTEREST**

	2016	2015
	SCR	SCR
At January 1,	8,077,754	5,120,781
Share of results Profit (note 10)	3,137,916	3,144,139
Share of results Revaluation (note 10)	45,792,809	(3,140,912)
Share of dividends	(3,140,912)	(187,166)
Adjustment due to change in accounting policies.		
(Associates) (Note 2)	(1,569,667)	
At December 31, (page 3)	52,297,899	8,077,754

24. INTEREST INCOME

	THE GROUP AND THE FUND	
	2016	2015
	SCR	SCR
<i>Interest arising on:</i>		
- Held-to-maturity financial assets	24,856,874	19,068,864
- Investments in money markets	20,758,242	31,364,608
- Investments available-for-sale	158,192	168,320
- Bank balances	23,825	107,506
- Staff loans	221,201	134,798
	46,018,333	50,844,097

25. INVESTMENT INCOME

	THE GROUP		THE FUND	
	2016	2015	2016	2015
	SCR	SCR	SCR	SCR
Dividends on local securities	8,466,108	-	8,466,108	13,374,912
Dividends on foreign securities	3,558,251	233,873	3,404,516	203,872
	12,024,359	233,873	11,870,624	13,578,784

26. INTEREST CREDITED TO MEMBERS

Interest credited to Members' Fund at 3.5% for the year ended December 31, 2016, amounted to SR 54m to the Fund (2015: 4% - SR 51.7m). However, only SR 6.4m (2015: SR 6.2m) were actually paid towards retiring members, death gratuities and migration allowance for the year under review. The remaining surplus balance is booked every year in the Members' Fund Account to be used for settlement of future obligations towards existing members.

27. ADMINISTRATIVE EXPENSES

	THE GROUP		THE FUND	
	2016	2015	2016	2015
	SCR	SCR	SCR	SCR
Salaries, wages and other related expenses	23,705,891	20,416,797	23,705,891	20,416,797
Administration costs	7,521,964	5,711,545	7,487,320	5,693,233
Motor vehicles running expenses	545,751	331,960	545,751	331,960
Postage, printing and stationary	2,076,705	1,109,074	2,076,705	1,109,074
Telephone	1,303,134	754,716	1,303,134	754,716
Utilities	435,382	442,958	435,382	442,958
Repairs and maintenance	1,397,283	1,147,431	1,397,283	1,147,431
Other expenses	1,756,905	1,293,384	1,756,905	1,293,384
	38,743,015	31,207,866	38,708,371	31,189,554

28. CASH AND CASH EQUIVALENTS

	THE GROUP		THE FUND	
	2016	2015	2016	2015
	SCR	SCR	SCR	SCR
Cash at bank	68,318,145	118,370,076	68,008,845	118,061,305
Cash in hand	44,981	30,410	44,981	30,410
	68,363,126	118,400,486	68,053,825	118,091,715

SEYCHELLES PENSION FUND

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2016

29. RELATED PARTY TRANSACTIONS

	THE GROUP		THE FUND	
	2016	2015	2016	2015
<i>Balances:</i>	SCR	SCR	SCR	SCR
<i>Subsidiary company</i>				
- Investment	-	-	6,275,370	5,100
- Loan receivable	-	-	-	6,270,270
<i>Enterprises on which the Company exerts significant influence</i>				
- Investment	308,642,800	110,332,618	198,876,360	59,662,908
<i>Transactions</i>				
- Dividends	11,870,624	13,344,911	11,870,624	13,578,784
<i>Key management personnel</i>				
- Gross salaries	2,265,773	1,763,539	2,265,773	1,763,539
Board of Trustees' remuneration (note 29)	709,968	709,968	709,968	709,968

- (a) Transactions with related parties are within the normal course of business.
- (b) For the year ended December 31, 2016, the Fund has not recorded any impairment of receivables relating to amounts owed by related parties (2015: Nil). This assessment is undertaken at the end of each financial year through examining the financial position of the related party and the market in which the latter operates.

30. BOARD OF TRUSTEES' REMUNERATION AND SECRETARIAT EXPENSES

	THE GROUP AND THE FUND	
	2016	2015
	SCR	SCR
P Payet	58,512	58,512
M Afif (up to January 31, 2015)	-	4,176
G Beaudoin (up to January 31, 2015)	-	4,176
R Weber (up to January 31, 2015)	-	4,176
R Spiro (up to January 31, 2015)	-	4,176
L Woodcock	50,112	50,112
M Felix (up to January 31, 2015)	-	4,176
S Labrosse	50,112	50,112
A Mousbe (up to January 31, 2015)	-	4,176
J Esparon	50,112	50,112
W Labrosse	50,112	50,112
A Lucas	50,112	50,112
C Mangroo	50,112	50,112
Bernard Adonis (from February 1, 2015)	50,112	45,936
Elizabeth Agathine (from February 1, 2015)	50,112	45,936
Antoine Robinson (from February 1, 2015)	50,112	45,936
Basil Hoareau (from February 1, 2015)	50,112	45,936
Malika Jivan (from February 1, 2015)	50,112	45,936
Secretariat		
Willy Confait (from February 1, 2015) (Secretary)	50,112	45,936
Marie-Ange Waye-Hive (Alternate Secretary)	50,112	50,112
	709,968	709,968

SEYCHELLES PENSION FUND
NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31ST DECEMBER 2016

31. COMMITMENTS

(a) Capital commitments

Approved and contracted for
 Approved but not contracted for

THE GROUP AND THE FUND	
2016	2015
SCR'000	SCR'000
13,566	86,000
443,250	624,050
456,816	710,050

(b) Lease commitments

Within one year
 After one year but not more than 5 years
 More than 5 years

THE GROUP AND THE FUND	
2016	2015
SCR	SCR
13,798,863	515,464
35,557,551	2,061,856
976,488	42,139,175
50,332,901	44,716,495

32. CONTINGENT LIABILITIES

There were no contingent liabilities as at December 31, 2016 (2015: Nil).

33.E EVENTS AFTER REPORTING PERIOD

There is no event subsequent to the date of statement of financial position which may have a material effect on the financial statement as at December 31, 2016.

CORPORATE GOVERNANCE

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CORPORATE GOVERNANCE

BOARD OF TRUSTEES (BoT)

BoT Composition and Membership

As per the Seychelles Pension Fund Act, the Board of Trustees is responsible for the overall management of the affairs of the Seychelles Pension Fund (SPF), including the operation of the SPF and making investment decisions.

The SPF Act provides for 12 members of the Board of Trustees representing government/public, workers and private sectors. The majority of the current members are from the private sector and there are 8 in total.

BoT Meetings

Board meetings are held every last Thursday of the month and all projects or expenditure above SCR1m is approved by the Board. The BoT also provides strategic direction and advice to the management of the SPF.

The Board of Trustees met twelve times in 2016.

BoT Committees

The Board of Trustees have three committees to assist in the discharge of its responsibilities relating to investments, audit and administrative matters:

- Audit Committee;
- Investment Committee;
- Administrative Committee.

In addition, the BoT has set up the following independent committees, each made up of three independent members:

- Tender Evaluation Committee;
- Tender Review Panel;

Both committees are to review all the tenders for projects.

- Medical Board to review medical cases for Invalidity Benefit Payments

Other Management Committees

- Procurement Committee – This committee is tasked with approving all procurements above SCR500,000 up to SCR1m. CEO has authority up to SCR500,000, GM up to SCR150,000 with managers limit being SCR20,000.
- Management Investment Committee – All projects and investments are dealt with by this Committee.
- Disciplinary Committee – This is to deal with staff issues.

RISK MANAGEMENT AND AUDITS

Risk Management

SPF continues to carefully manage the potential risks that may affect its operations. At a strategic level, it needs to ensure that funding remains available for payment of benefits and in this regard it has taken steps to recommend to government the need to increase contributions as recommended by the actuarial valuation.

SPF ventured into other areas of investment during the year 2016. It acquired more domestic equities investing in two banks, as equities yield the highest return. In international investments, SPF invested more in equities through the purchase of shares in Afrexim Bank. SPF also went directly into ETF on a small scale. Investment funds have been carefully diversified with the aim of managing investment risks. The rate of interest declined in the market and being a major investor in Government Securities market and bank deposits, SPF had to re-invest at lower rates than the year 2015.

Internal Audit

SPF's Internal Audit Section reports to the Board's Audit Committee and its role is to promote a good governance culture which in turn enhances public confidence. It also provides objective audit assurance to Management and the BoT that sound and adequate internal controls exist in the SPF.

Internal Audit carries out active auditing and evaluates and contributes to the improvement of governance, risk management and control processes. The section's activities include reviewing and evaluating the adequacy, effectiveness and efficiency of internal controls, ascertaining compliance with applicable laws, regulations, policies, standards and procedures.

External Audit

The audit of the SPF's account for the year was conducted by Pool & Patel, who was contracted by the Auditor General in accordance with the SPF Act. SPF has followed the International Financial Reporting Standards (IFRS) to promote a high level of accounting standards and transparency, proper disclosure and integrity normally required of financial institutions. SPF has also complied with all reporting requirements of the National Assembly, Ministry of Finance and Public Enterprise Monitoring Commission.

Actuarial Valuation

In accordance with Section 55 of the Seychelles Pension Fund Act, the SPF is required to carry out an actuarial review every three years. The last actuarial valuation of the SPF for the period ending December 2016 was completed and submitted by Mr Chris Latham of PricewaterhouseCoopers (PWC) of Sydney, Australia. It showed that:

- Current Fund has 11 times the outgo of pensions and administration expenses
- Beneficiaries will grow to 15,000 by 2050 from current 4,287
- Pension outgo will then be SCR2.6m a year, or 10.3% of members' earnings from current 3%
- Active membership will still be about 40,000 in 2050, and will reduce to 36,000 in 2080 (from World Bank projections)
- Current position is strong, but contributions not enough in the long-term
- Current contributions (employer and employee) 4% of earnings, needs to increase to 6% by 2019 and 1% thereafter every 5 years as follows:

- 4% to 6% by 2019
- 6% to 7% by 2025
- 7% to 8% by 2030
- 8% to 9% by 2035
- 9% to 10.5% by 2040

ACCOUNTABILITY

SPF provides the following reports on a regular basis:

- Statement of Corporate Intent to PEMC;
- Annual Plans & Targets to BoT for approval;
- Annual Budget to BoT for approval

- Mid-year Budget Review to BoT for approval;
- Monthly Financial Statements to BoT, Ministry of Finance and PEMC;
- Quarterly Financial Performance Report to BoT;
- Quarterly Investment Performance Report to BoT;
- Annual Report of SPF and Audited Financial Statements to BoT and the Minister of Finance to be tabled in the National Assembly.

PROFESSIONAL AND ETHICAL CONDUCT

SPF's core values are;

The integrity of our organisation is based on reliability, trust, credibility, accuracy, accountability and ethical conducts at all times.

The SPF will ensure that its staff work with the utmost confidentiality and professionalism at all time.

BOARD OF TRUSTEES

Sections 5 and 6 of the Seychelles Pension Fund Act No 8 of 2005 empowers the President of the Republic of Seychelles to appoint the Board of Trustees. The current Board's appointment took effect 01 February 2015 for a period of three years.

Mr Patrick Payet Chairman of the Board of Trustees (Public Sector)	Ms Jessie Espanon Trustee, representing the public sector (Public Sector)	Ms Cilia Mangroo Trustee, representing the Ministry of Finance (Public Sector)
Mrs Elizabeth Agathine Trustee, representing the public sector (Public Sector)	Mr Antoine Robinson Trustee, representing Workers' Union (Private Sector)	Mr Bernard Adonis Trustee, representing Workers' Union (Private Sector)
Mr Walter Labrosse Trustee, representing employers (Private Sector)	Mrs Suzanne Labrosse-Rolston Trustee, representing employers (Private Sector)	Mr Antonio Lucas Trustee, representing SCCI (Private Sector)
Mr Lambert Woodcock Trustee (Private Sector)	Mr Basil Hoareau Trustee (Private Sector)	Ms Malika Jivan Trustee (Private Sector)

Two Board Members, Ms Jessie Espanon and Mr Basil Hoareau resigned towards the year end.

AUDITORS
Auditor General outsourced to;
Pool & Patel Chartered Accountants P.O Box 117 Maison La Rosiere Palm St, Victoria
LAWYERS
Mr Francis Chang-Sam Barrister and Attorney-at-Law & Notary Public Kingsgate House, Victoria
Mr Joel Frank Camille Barrister and Attorney-at-Law & Notary Public Sound & Vision House Francis Rachel Street, Victoria

HEADQUARTERS
Seychelles Pension Fund Caravelle House P. O. Box 576 Victoria Mahé Seychelles
Telephone: (00 248) 429 4699 Fax: (00 248) 422 5037 E-mail: info@spf.sc Website: www.pensionfund.sc
OTHER OFFICES
Praslin Office Pension Fund Complex Grand'Anse Praslin Tel: (00 248 4237080)
La Digue Office Pension House La Passe La Digue Tel: (00 248 4235100)

SPF MANAGEMENT

The SPF Management Team is as follows:

Mrs Lekha Nair Chief Executive Officer	Mr Willy Confait Advisor to the CEO	Mrs Marie-Ange Waye-Hive General Manager Pensions & Benefits	Mr Derick Ally General Manager Corporate Services
Ms Nisreen Abdulmajid Manager Internal Audit Section	Mr Tommy Marie Manager Projects Section	Ms Jane Suzette Manager Compliance Monitoring Section	Ms Angele Low Manager Finance Section
Mr Marcus Marie Manager Property Section	Mr Darell Bristol Manager Marketing & Public Relations Section	Mr Jeffrey Moses Manager Benefits Section	Mrs Lyne Bonte Manager Human Resources & Administration Section
Ms Evelina Antha Manager Investment Section	Ms Yvette Samedi Manager Management Information & Research Section	Mrs Tessy Poris Manager Praslin & La Digue Section	Mr Steven Rosalie Manager Information Technology Section

CORPORATE SERVICES

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CORPORATE SERVICES

The main operations of the SPF are supported by various sections to ensure efficient delivery of the services that SPF provides.

Information Technology

Information Technology is one of the core elements of all SPF's operations. In 2016, IT staff continued to build a better way to work with innovations to elevate productivity while ensuring that plans and targets for the year were aligned with the SPF's business strategy, staying abreast of new technologies.

Systems Maintenance

IT noticed an expansion of the SPF in the amount of staff which resulted in an increase of the internal network of over 90 desktop workstations, networking equipment, operating systems and servers. Maintaining existing systems for areas such as, financial information management, rent management and online services in order to provide access to reliable information was a key area that IT focused on.

System Development

LPO System

One of the major achievements in the third trimester was the installation of Local Purchase Order Management Software, to make it easy for users to make procurements following all the levels of authority, within budgets set and the necessary approvals. Purchase requisitions are now automatically created, defaulting the appropriate account codes. Purchase requisitions are automatically routed to the appropriate approvers and then converted to purchase orders as necessary.

Salaries System

IT worked on a software to integrate the computerised salary system of Government onto the pension system so that data is captured automatically instead of keying in manually. The system is on its trial stage.

Accounting System

With the two new LPO and rent system the accounting system is being strengthened to ensure automatic updates to ledgers to facilitate the preparation of accounts. 2017 will see the completion of the project.

Rent System

The new revamped Rent System will be implemented in the first trimester of 2017. However, much has been accomplished to customise the system to meet users demand with key management information on debtors aging analysis.

Access Control Solutions

As a means to provide authorised employees secure access in and out of offices, while keeping unauthorised people out, a Door Access Control System was also implemented.

Network Upgrade

To ensure that the hardware system are effective and adhere to the requirements, new Ubiquiti Edge Switch and Router were purchased in order to strengthen our core facilities with network infrastructure upgrades which increased both efficiencies and capabilities within the IT.

In-House IT Training

To conclude the year, Basic Outlook Training sessions was conducted for Human Resources and Administration support staff.

Marketing and Public Relations

The marketing approach for 2016 focused on celebrating the milestone 10th anniversary of SPF by earmarking a selection of activities. This was also to improve public relations and marketing communications with our stakeholders as SPF celebrated its 10th anniversary on 1 January 2016. The campaign entitled '10 for 10', meaning 10 activities for 10 years of the SPF was used throughout the year.

Information Sessions

In a bid to keep members apprised of new developments at SPF, mainly the new benefits formula and the other benefits available, 47 information sessions were held at workplaces. The sessions also encouraged members to make or increase their voluntary contributions. The self-employed sector remains a prime target for SPF and 2016 saw 213 new self-employed registering, making a total of 1,439 self-employed members. This was a result of timeless talks and publicity campaigns throughout the year. Various sessions were also made in 2016 to encourage members to make or increase their voluntary contributions (VC). These included direct mail campaign targeting all 50 year olds, newly registered members and first time employees. During the National Day Show through a Wheel of Fortune, and personal selling the, VC was further marketed. The number of VC members increased from 2,214 in 2015 to 2,891 in 2016. This increase represents SCR1.4m in additional employee voluntary contributions from SCR6.7m in 2015 to SCR8.1m in

Human Resources and Administration

As part of its efforts to optimise efficiency and staff morale, SPF continues to provide a supportive working environment providing good work ethics and assuring staff development of human resources and administration in 2016.

Workforce

SPF's year-end staff complement stood at 113 spread out over 13 sections. This represents a 20% increase over the 2015 which was 94 and is a result of the major reorganisation which took place in early 2015 in a bid to make the organisation 'fit for the future'.

Gender

There has been a 5% increase in male distribution in 2016 resulting in a decrease by 5% compared of females.

Recruitment

A total of 12 vacancies were filled in 2016 compared to 16 in 2015. All recruitments were made through a revised, robust and transparent competitive process advertising all vacant posts internally and in the local media.

Staff Retention

The retention of qualified staff is an important consideration for SPF and in 2016 this has been maintained with an extremely low staff turnover of 1%.

Training

In a bid to further staff's skills level and to have a dynamic professional team, SPF enrolled 31% of its staff on a number of training programmes.

Staff Incentives

SPF provides a wide range of incentives to all its staff, who in turn contribute to propel good work performance and maintain a high retention rate. Among the different incentives which Seychelles Pension Fund offers are: uniform, end of year bonus, matching voluntary contribution and loan facilities (general purpose, car, housing and emergency) SPF granted a total loan of SCR5.4m to 78 staff.

Performance Management

Importance is placed on performance management in order to obtain the maximum productivity. Through monthly meetings, set plans and targets for the year and achievements and constraints review, staff are appraised of their performance. 2016 saw the revision of various policies and a new employee handbook was designed for issue in 2017.

Administration

As SPF expands with more membership, growing assets to manage, and high expectation from the public SPF has to deliver quality service. Such more staff are needed resulting in higher administrative cost that increase to SCR38.7m in 2016 showing a 24% increase over the previous year.

Management Information & Research

In view of constant changes in international practices and procedures with regards to the management of pension funds, it is of utmost importance that SPF monitors latest changes, developments and reforms in pension plans. One of the roles of the section is to keep abreast with current trends and developments in the pension world and research on ways to further improve SPF performance.

The section supports the SPF in meeting its obligations relating to its planning and reporting requirements as outlined in the SPF Act 2005, ways to further improve SPF performance. The section supports the SPF in meeting its obligations relating to its planning and reporting requirements as outlined in the SPF Act 2005, ensuring that the information management requirements of the organisation are met.

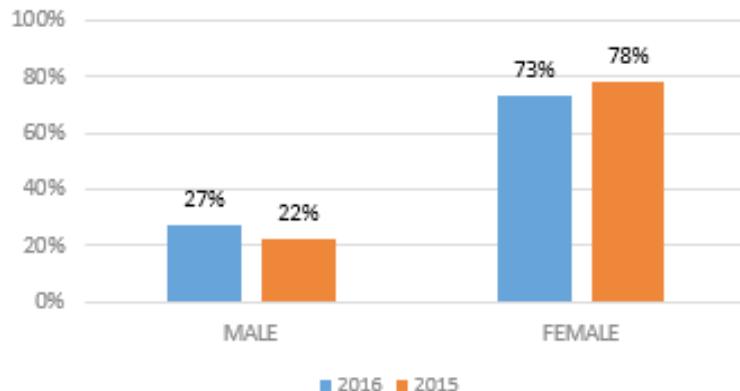
In 2016, the section developed, coordinated and implemented the organisation's reporting requirements, which included the preparation of the SPF Statement of Corporate Intent 2017, the Annual Report 2015 and the Review of the Plans and Targets 2016. It also undertook research on population and pension issues likely to have an impact on the SPF. The section is also the focal point for the International Social Security Association (ISSA) of which SPF is a member and also in 2016 the section also became the focal point for the Actuary.

The section also assisted IMF, World Bank and the Consultant for FSA by providing them with relevant statistics throughout the year of 2016, attended workshops on behalf of the SPF and prepared analysis of data on members various contributions and benefit payments.

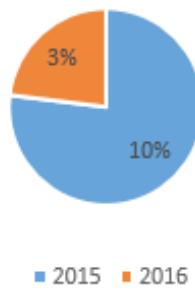
Praslin and La Digue Section

The Praslin and La Digue Section plays a crucial role in bringing the SPF to these two islands. It supports the core activity of contributions collection and benefit payments. It also maintains the six properties on Praslin and La Digue and are responsible for collection of rent for these properties. They also provide advisory services and carry out public relations work for SPF.

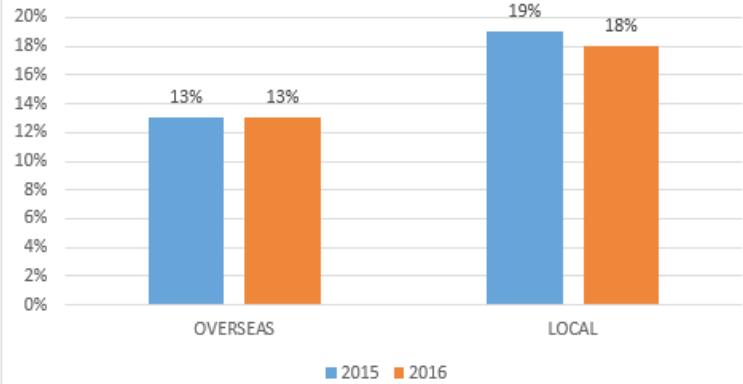
GENDER DISTRIBUTION



STAFF TURNOVER



TRAINING



MEMBERSHIP, CONTRIBUTIONS & MEMBERS' ACCOUNTS

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MEMBERSHIP

SPF membership in 2016 stood at 61,859 registered members and there was a 5% increase from the 2015 figure which was 58,901.

The figure for registered members is made up of both active members and non-active members. Non-active members are those who have ceased to contribute to the Seychelles Pension Fund for period in excess of six months. This also includes those who are currently unemployed and waiting for their retirement age to draw their pension or for their lump sum payment in case they are not qualified for a pension. Active members are those who are currently contributing or have temporarily stopped contributing to the SPF for less than six months, including those who have taken a break from employment but are still contributing under their National Identity Number.

Registration

New registration in 2016 is as follows:

- 296 new employers
- 213 new self-employed
- 930 new workers

The total number of self-employed at year end was at 1,439 and total employers was 3,081.

Detection of unregistered employers

Unregistered employers were detected through spot checks and also from complaints made by employees. 41 complaints were received for the period January to December 2016, of which 13 unregistered employers were located.

Self-Employed

The main challenge over the years has been to get self-employed persons to register as members of the SPF and to make their contributions. There has been intense marketing campaign to sensitise the self-employed to the benefits of becoming members. This has been relatively successful in 2016 with the registration of 213 new self-employed compared to 90 in 2015 which shows an increase of 58%.

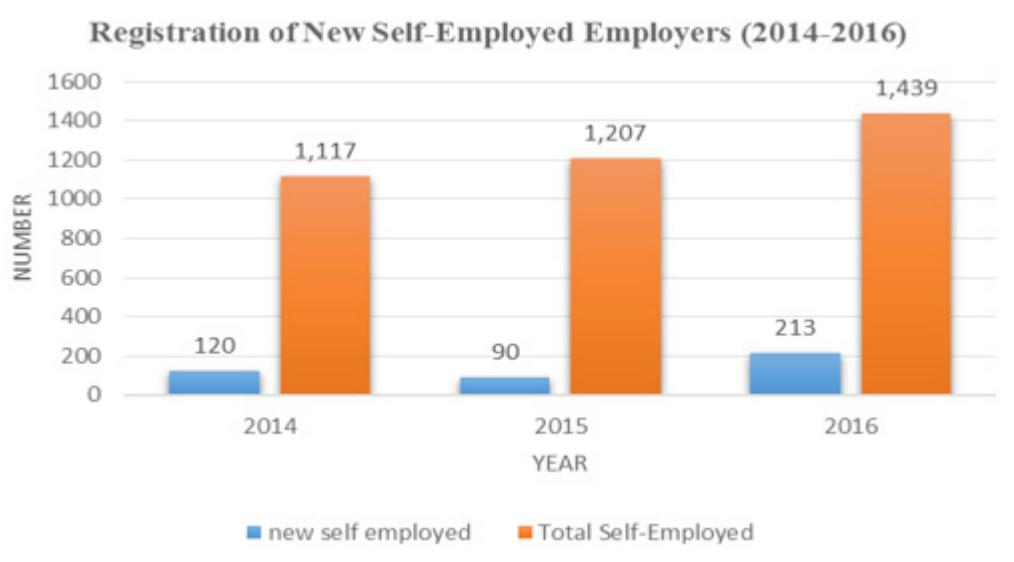
SPF continues to look for novel ways to entice the self-employed to register and to facilitate the way they make contributions and for them to remain committed to contribute to the Fund.

One new way was the team up with Airtel for Airtel money, where self-employed could register with Airtel, subscribe to a pocket of cash on their mobiles and then pay out from the mobile purse.

Membership of the Seychelles Pension Fund (2006-2016)

Year	Active Members	Non-Active Members	Total Registered Members	Rate of Growth
2006	33,505	16,377	49,882	3.2%
2007	32,104	19,787	51,891	4%
2008	32,174	20,725	52,899	1.1%
2009	30,166	23,613	53,779	2.5%
2010	33,371	21,975	55,346	2.9%
2011	35,252	20,144	55,396	0.09%
2012	39,461	16,819	56,280	1.6%
2013	40,279	18,430	58,709	4.3%
2014	38,117	20,365	58,482	-0.4%
2015	41,787	17,114	58,901	0.7%
2016	41,085	20,744	61,859	5.0%

Registration of new self-employed persons (2014-2016)



CONTRIBUTIONS & ARREARS

Contribution collection and compliance constitute core functions within SPF and play a key role in maintaining financial sustainability. SPF has an obligation under the SPF Act to ensure the prompt collection of contributions from employers and allocate these contributions to the members' accounts accurately and in a timely manner. The Act also prescribes for the SPF to investigate any issues relating to non-payment of contributions and unregistered employers and employees and to collect arrears. In addition, the education of employers and employees are also carried out in tandem with these monitoring and compliance activities to encourage voluntary compliance.

Contributions

Mandatory contribution

The mandatory contribution rate is set at 4% of an employee's gross salary per month with (2% paid by the employer and 2% by the employee). This applies to any person working in full time or part-time employment. Self-employed persons are required to make a contribution of 4% of the declared salary or SCR260, whichever is greater. The mandatory contributions guarantee a monthly pension for life to each pensioner.

Voluntary Contribution

The Voluntary Contribution Scheme encourages members to make savings by making additional contributions into their SPF account. The minimum monthly voluntary contribution is SCR50. Voluntary contributions, are refunded to members, with interest, when they are eligible to start drawing benefits. SPF has a Match-it Scheme that encourages employers to match, in full or in part, whatever voluntary contributions their employees make.

Arrears

Defaulters

According to the SPF Act, employers are not allowed to be in arrears but there are some employers who require close monitoring and constant reminding for them to fulfil their pension contribution obligations. The target has been maintained at 3% of the number of active employers for one month's arrears and for two months' arrears or more remain at 2%. In 2016 defaulters were at 4%, representing 1% below the target in the case of one month arrears. In the case of two months or more arrears performance has been at 1.5% which is 0.5% above target.

Detection and Enforcement

Measures were undertaken to ensure the prompt contributions payment and provision of the required report. Inspections were conducted to exert pressure on employers in the cases of missing employee information and ensure the recovery of unpaid contributions. SPF has continued with the exercise of sending reminders to employers in arrears in 2016. Court action is considered as a last resort in the case of persistent defaulters.

Recovery of unpaid contributions

A total of 244 assessments cases were made against employers in default of contributions and surcharges in 2016 for the sum of SCR4.8m in contributions and SCR4.4m in surcharges. Out of this number, 202 cases totalling to SCR4.7m worth of contributions and SCR259,969.18 surcharges were recovered.

MEMBERS' ACCOUNTS

An account is maintained with the SPF for each registered member. The account includes the mandatory and voluntary contributions, with interest accrued.

Members' funds stood at SCR1.308b in 2016 and represented a 10% increase over 2015 (SCR1.188b)

Interest earned by members

Members' accounts accrue interest on yearly basis which are added to their contributions. The interest is also added to the voluntary contributions

made. Interest rate for 2016 was 3.5% which was very attractive compared with the going market rate of interest on savings (average 2.72%). Interest rate is reviewed at the end of the year following an assessment of the SPF's investment income and the prevailing domestic interest rate.

Allocation of receipts

SPF keeps up-to-date members account and ensures that the prescribed contributions paid by employers are allocated to each member's account. During 2016

although allocation was done manually, SPF managed to allocate the majority of contributions paid to members' accounts. The total unallocated receipt for the year was SCR1.1m.

Accounts Statements

Active members receive their accounts statements during the first quarter of every year.

MEMBERS FUNDS

YEAR	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
MEMBER'S FUNDS (millions)	465.78	511.808	571.282	620.731	664.331	723.712	805.929	898.697	1,035.504	1,188.454	1,307.939
RATE OF GROWTH	10%	9%	12%	9%	7%	9%	11%	12%	15%	15%	10%

BENEFITS

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BENEFITS

SPF guarantees a monthly pension to all eligible members from the age of 63 years old or earlier if optional.

Payments of Benefits

Types of Benefits Paid by SPF

SPF pays the following pensions on a monthly basis:

- Normal Retirement Pension
- Permanent Incapacity Pension
- Surviving Spouse's Pension
- Children's Pension

These are monthly pensions paid out for life. All benefits paid were increased in 2016 by 3.5% indexed to the rate of inflation in the country as at October 2015 as per SPF Act.

In addition SPF also pays out the following benefits as lump sums: SCR96m in Normal Retirement benefits and SCR12m in Permanent Incapacity benefits on behalf of ASP. These amounts were refunded to SPF by ASP.

- Pre-Retirement Death Gratuity
- Migration Allowance
- Refund of contributions in cases of not qualifying for pensions.

Applications

SPF received a total of 1,161 applications for benefits payment in 2016 which represents a 69% increase from the previous year.

Administration of Social Security Fund (SSF) Payments

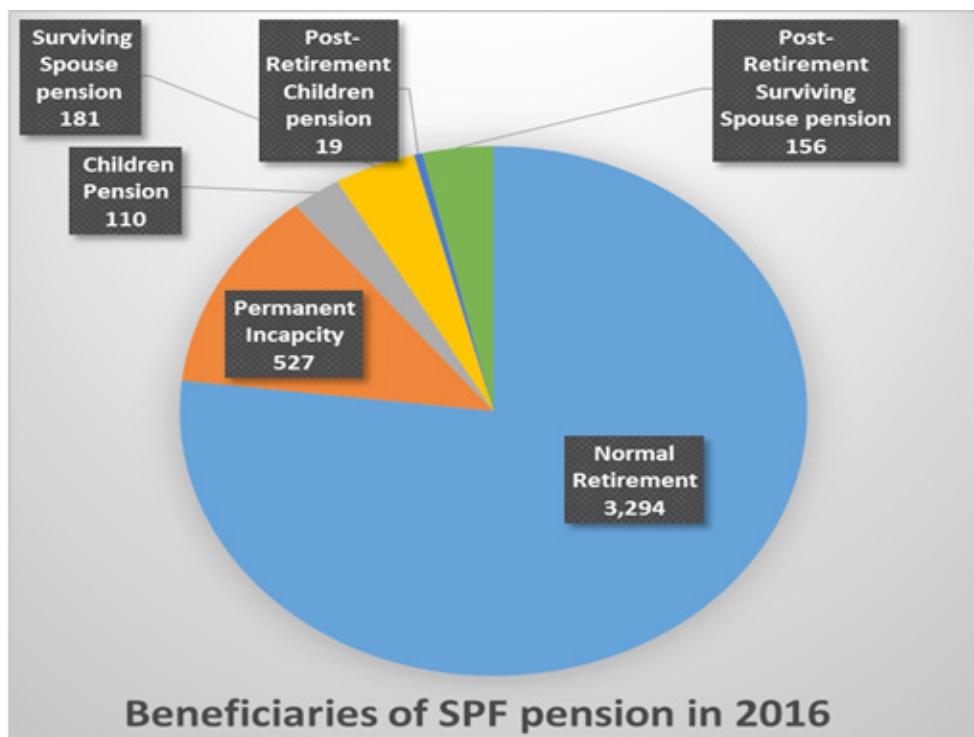
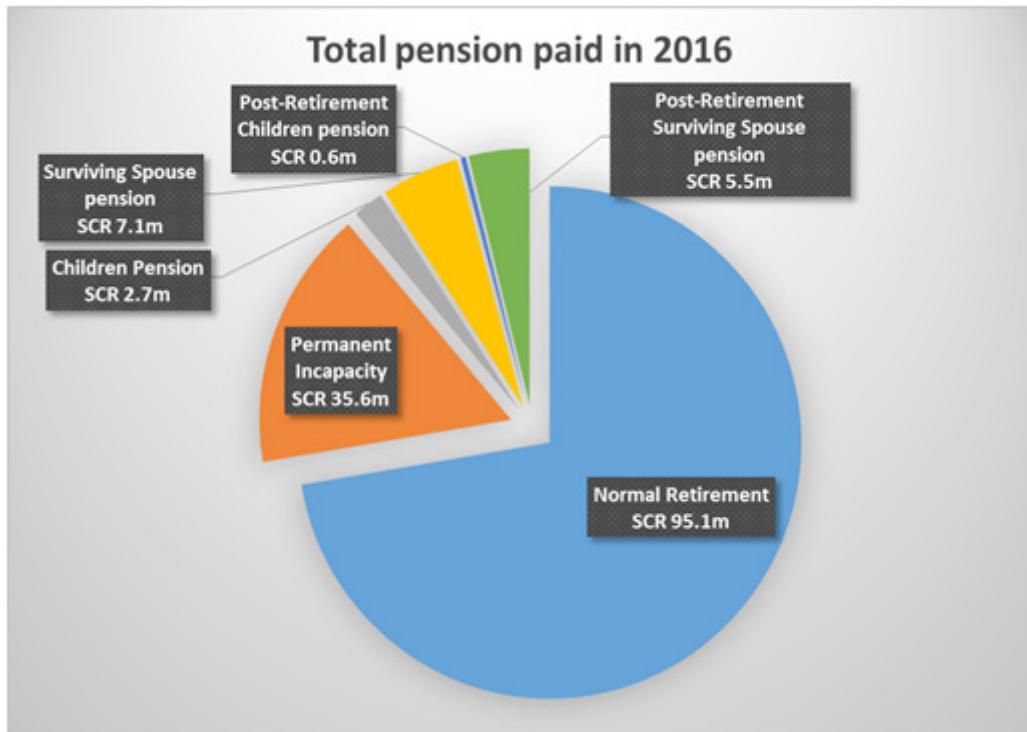
As in previous years, SPF continued in assisting SSF with their monthly pensions in 2016 until August 2016, on behalf of the Agency for Social Protection (ASP). SPF paid out

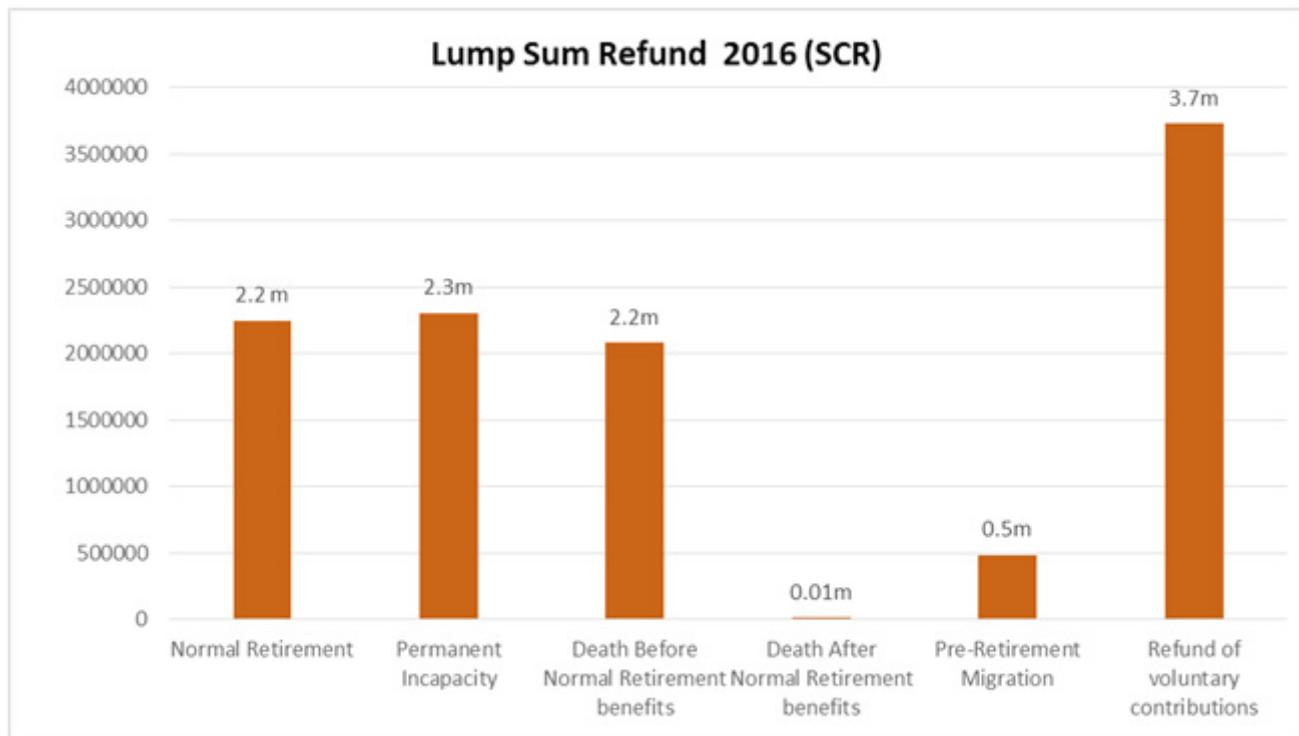
SCR96m in Normal Retirement benefits and SCR12m in Permanent Incapacity benefits on behalf of ASP. These amounts were refunded to SPF by ASP. However, as from September 2016 ASP administers the retirement pension (SSF) themselves hence pensioners will now have to lodge two different claims.

SPF facilitates the process by informing ASP once a retiree has lodged a claim

Administration of Government (GoS) Payments

SPF also paid out SCR7.5m in 2016 in pensions on behalf of Government, for the Special Pension.





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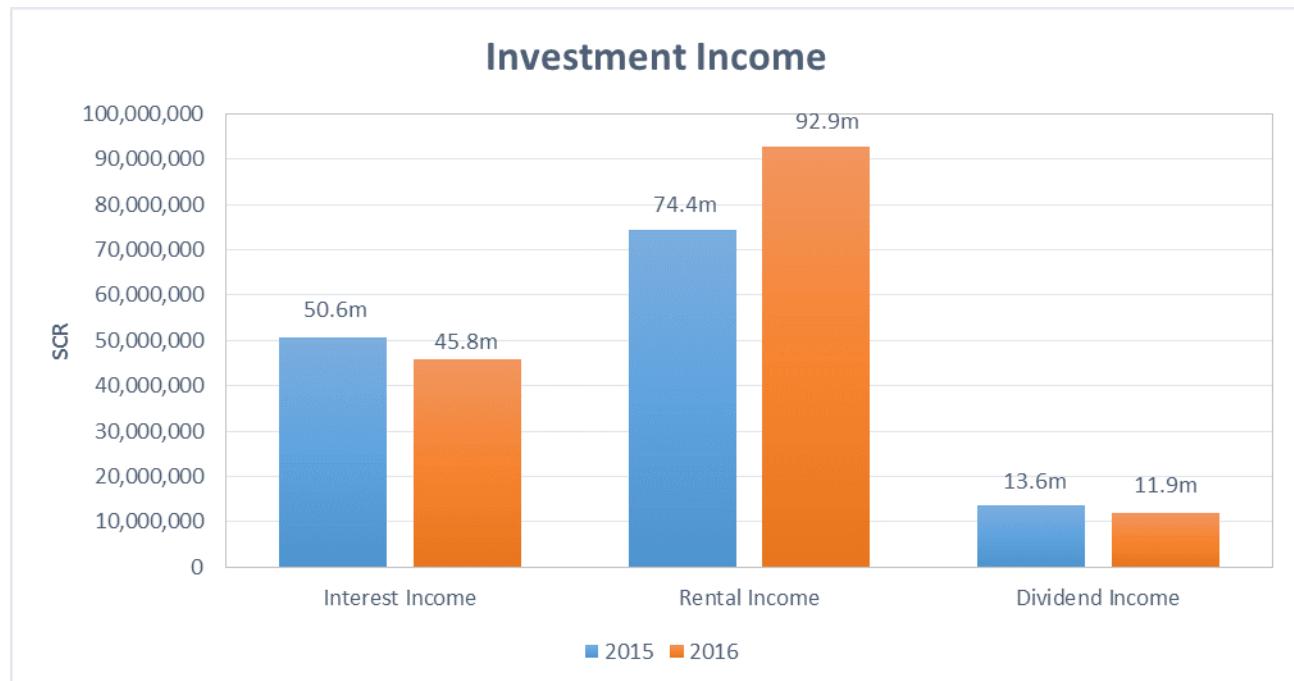
INVESTMENTS

Investment Performance

As at 31 December 2016, income from investments was SCR151m representing 35% of the SPF's total income whilst income contribution was 65% of total income. Investment income increased by SCR11.9m relative to the year 2015. The increase came about as a result of rent collected on two new buildings completed in 2016, Maison Collet and Corail D'or. Interest income received by SPF was lower by SCR4.8m compared to the year 2015, this was the result of lower interest rates on Government securities in the market. Dividend income received by SPF reduced by SCR 1.7m, as a consequence of Seychelles Breweries' dividend being reduced to SCR1.50 per share from SCR3 per share in 2015, as a result of the company's capital re-investment in its brewing plants and equipment.

The total rate of return on investment for the year 2016 was 9% compared to 9.6% in 2015.

Total Investment Income



Investment Portfolio

Cash Investments

Cash investments includes Government securities and fixed term deposits with commercial banks. In 2016 SPF saw the maturity of SCR369m cash investment and invested SCR411m in cash (renewal and new investments). There was a significant reduction in the market interest rates during the year and SPF received an average return of 6.37% on cash investments from 7.5%, 2015.

Government Securities

SPF's investment in Treasury Bonds and Treasury Bills represented 26% of the portfolio (SCR438m). This followed a significant increase in investment in Government Securities by SPF as the opportunity became available given the minimal risks and costs involved. The average rate of return on Government Securities for the year 2016 was 4.55%.

Fixed Term Deposits with Commercial Banks

Investments in fixed deposits was SCR245m and accounted for 14% of the portfolio. The average rate of return on deposits for 2016 was 5.85%.

Equity Securities - Domestic

Investments in domestic equities make up 6% of the portfolio (SCR90m). SPF has shareholding in 4 domestic companies; Seychelles Breweries, SACOS, Al Salam Bank Seychelles and Seychelles Commercial Bank.

International Investments

In its efforts to diversify its portfolio and take advantage of new opportunities, SPF has invested SCR151m overseas which accounts for 9% of the portfolio. SPF has investments in the fixed income instruments, private equity and listed equity on the International stock exchanges.

Real Estate

Investments in real estate as at December 2016 was 46% of the investment portfolio (SCR792m). As at December 2016 the net income from investment properties was SCR63.1m which represented 52% of the total income from investment.

New Investments in 2016

International Investments

The aim of SPF's investment overseas is to diversify its portfolio. The World Bank in their strategic review of SPF investments also recommended an increase in overseas investment to 10% of the portfolio.

Afreximbank

SPF has purchased 217 shares in Afreximbank through a payment of \$2.3million. Afreximbank (African Export Import Bank) is a multilateral financial institution with private and institutional investors. The objective of the bank is finance,

promote and expand intra-African and extra-African trade. Other local shareholders of Afrexim Bank and CBS and Nouvobanq.

Exchange Traded Fund (ETF)

In January 2016 SPF started with an investment of USD 200,000 in ETF. ETF is an investment fund traded on stock exchanges.

Domestic Shares

SPF's performance for the year 2015 shows that out of all asset classes, it earned the highest rate of return of 20% on domestic shares. It is part of SPF's approved investment plan to look into the possibility of increasing its investment in domestic companies, to maximize its return on investment and further diversify its portfolio.

It is a known fact that the banking sector provides very good returns and SPF seized the opportunity to venture into this sector in 2016 by purchasing shares in 2 local banks.

Seychelles Commercial Bank

SPF paid SCR2.029m for the purchase of 20,029 shares in SCB during the year 2016.

Al Salam Bank Seychelles (ASBS)

SPF has also purchased 30% of Al-Salam Bank of Seychelles for USD 1.575m. ASBS is expected to launch full Islamic commercial banking to individuals, SMEs and Corporates to promote healthy competition in Seychelles and to produce attractive returns to its shareholders.

Real Estate

In real estate, SPF purchased 2 new properties in 2016.

•Continental Property

SPF added Continental property to its portfolio in May 2016 for a value of SCR 22m. This was one of the few remaining properties available for sale in Central Victoria. The property is for a landmark of a commercial centre.

•Anse La Mouche

SPF purchased a property at Anse La Mouche. The property comprise of two plots of land totalling 4,050 sqm. The area has been earmarked for a proposed residential development.

Ongoing Projects

The expansion of the property portfolio remains a key aspect of SPF's investment plan. The amount of income being generated from properties continues to increase every year with the completion of new projects

Corail d'Or Apartments

Residential Development, North East Point, Mahé



- Two blocks (ground plus three storeys)
- 28 fully furnished two-bedroom executive type apartments
- Parking facilities
- Security
- Ocean view
- Start date: March 2014
- Completion date: July 2016
- Officially opened on the 4th of November 2016
- Total cost: SCR81m

Pirates Arms Re-Development Project

Independence Avenue, Victoria, Mahé



--Two buildings:

- Building 1: Multi-storey commercial building with a modern look and a creole touch;
- Building 2: Multi-storey car park, shops, offices, and restaurants.
- Total area: 21,190m²
- Start date: March 2016
- Expected completion date: January 2020
- Overall internal estimated cost: SCR450m

Île Perseverance Residential Apartments Project



- Land area of 3,127 m²

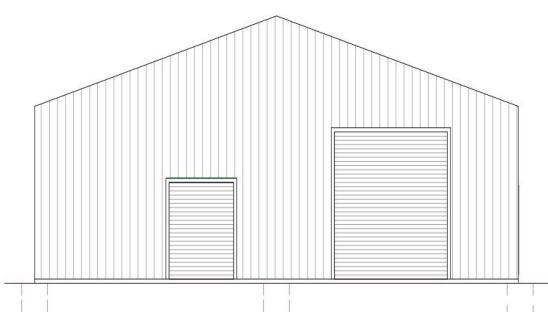
- 28 two-bedroom apartments
- 18 one-bedroom apartments
- Start date: May 2016
- Expected completion date: November 2018
- Overall internal estimated cost: SCR55m

Île du Port Micro Enterprise Project

- Garages
- Workshops
- Offices
- Storage space/Archives
- Start date: September 2016
- Expected completion date: December 2018
- Overall internal estimated cost: SCR88.25m

Anse Boileau Micro Enterprise Project

- Garages
- Workshops
- Internet Café
- Cafeteria
- Shops (Artisanal/craft)
- Start date: April 2016
- Expected completion date: May 2017
- Overall internal estimated cost: SCR13m

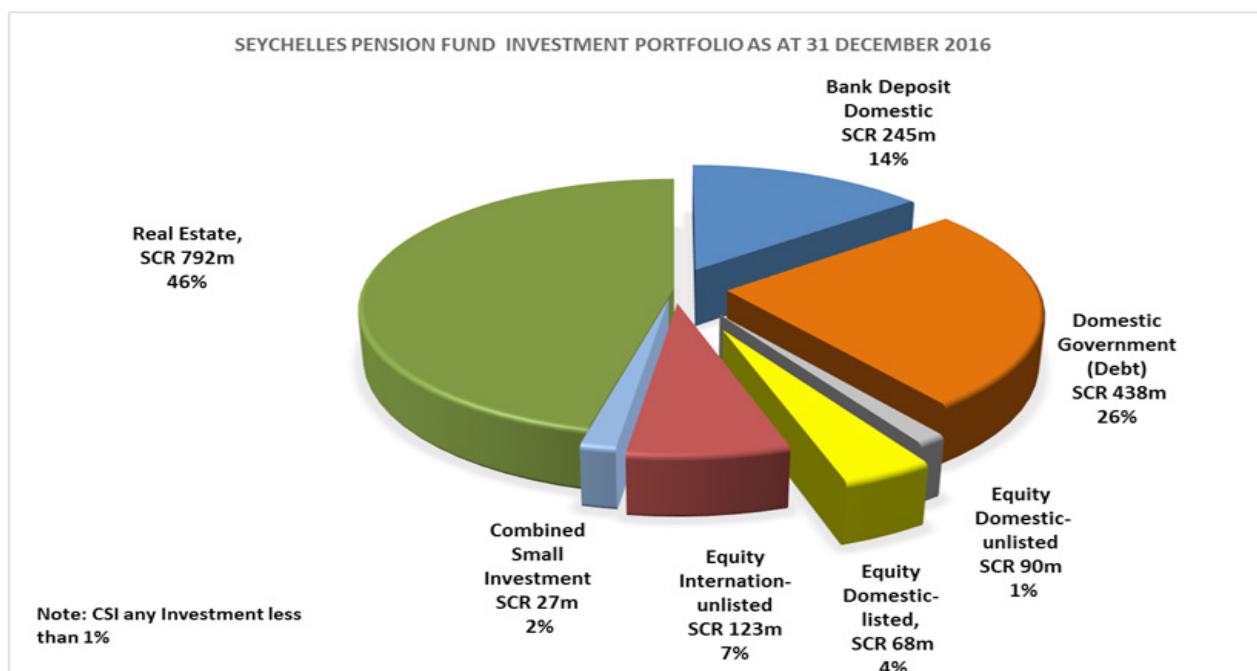
**Dry Storage Warehouse
Eve Island, Praslin**

- Dry storage warehouse
- Parking facilities
- Start date: December 2016
- Expected completion date: June 2017
- Overall internal estimated cost: SCR2.5m

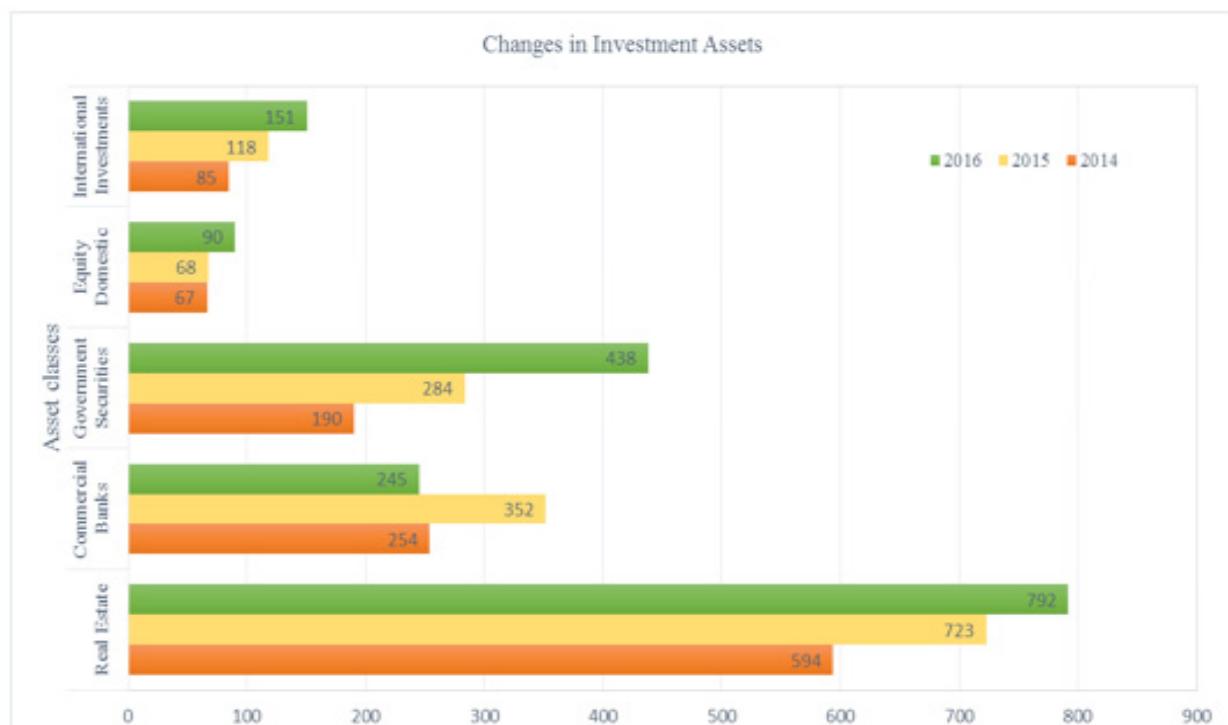
List of SPF properties

- 1.Huteau Lane Complex
- 2.Pirates Arms Complex
- 3.Caravelle House
- 4.Le Clementine
- 5.Port Glaud Craft Village
- 6.Providence Micro Enterprise
- 7.Providence Warehouse
- 8.Pension Complex
- 9.Praslin Holiday Home
- 10.Eve Island Enterprise
- 11.Eve Island Cold Storage
- 12.La Passe Pension House
- 13.Unity House
- 14.Maison Collet
- 15.Coral D'Or Apartments
- 16.Continental Complex
- 17.Anse a La Mouche
- 18.Ocean Gate House
- 19.Ocean Gate House Annex
- 20.Le Chantier Mall
- 21.Orion Mall

Investment Portfolio



Changes in Investment Assets



THE WAY FORWARD

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THE WAY FORWARD

Looking ahead

Always forward looking, SPF places great emphasis on its long term financial sustainability and since its inception it has continuously taken into account ongoing trends and developments in the pension world to ensure its proper management and development.

The challenges ahead are many and we need to make planned adjustments which will include, amongst others a review of SPF sustainability:

- a) Retirement age;
- b) Contributions;
- c) SPF Act
- d) Strategic Asset Allocation
- e) Service to Customers
- f) Sustainability

a) Retirement Age

This is an important consideration in the sustainability of SPF. The actuarial evaluation this year, asked for review of the retirement age. SPF will make recommendations to Government in 2017 after public consultation.

b) Contributions

The rate of members' contribution (4%) remains exceedingly low compared to the majority of countries in the world, with a defined benefit pension plan like SPF's. The recommendations made in the Actuarial valuation and by the World Bank for further increases in the years to come, going up to 10.5% by year 2040.

SPF will continue in its drive to increase membership, where greater emphasis will be placed on self-employed workers, a sector that contributes the least and yet is one that has grown considerably in the recent past. Voluntary contributions, which allow members to receive a lump sum upon retirement had gained considerable popularity in 2016. SPF's efforts will remain unabated to bring more members on board and to encourage those already on board to increase their contributions.

remain unabated to bring more members on board and to encourage those already on board to increase their contributions.

The Match-It Scheme will also be marketed more aggressively as from 2017.

SPF also plans to strengthen its enforcement capacity to ensure the timely collection of all pension contributions from defaulting employers.

SPF needs to move to lifetime earnings in the calculation of pensions. Earnings related pensions mean that the earnings of the entire work career of an employee is considered for calculation of pension which will result in fairer pension and improved records keeping.

c) Review of SPF Act

Various amendments need to be made in the current SPF Act to take stock of new developments in the country especially the proposed supervision of SPF by FSA as well as actual pension eligibility.

d) Strategic asset allocation

SPF's diversification of its investments will continue in a bid to maximize investment returns and manage risks. This is being done through a robust investment plan that needs periodic review with continued efforts in improving the investment portfolio and its prudent management.

SPF's main focus is the early completion of ongoing projects, so that it can proceed with other new important re-development projects. For properties the aim is to ensure full occupancy and timely rent collection.

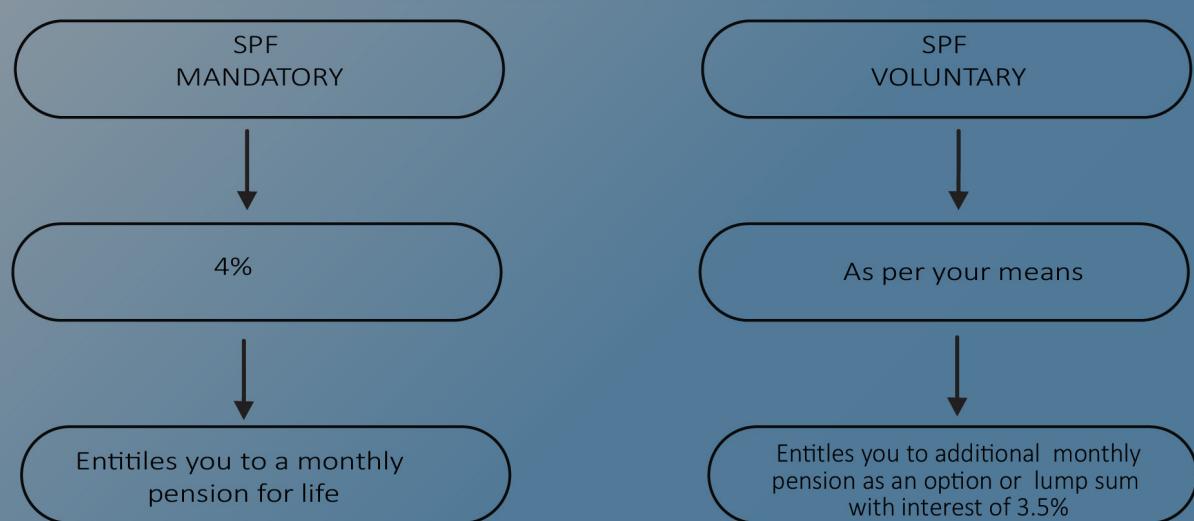
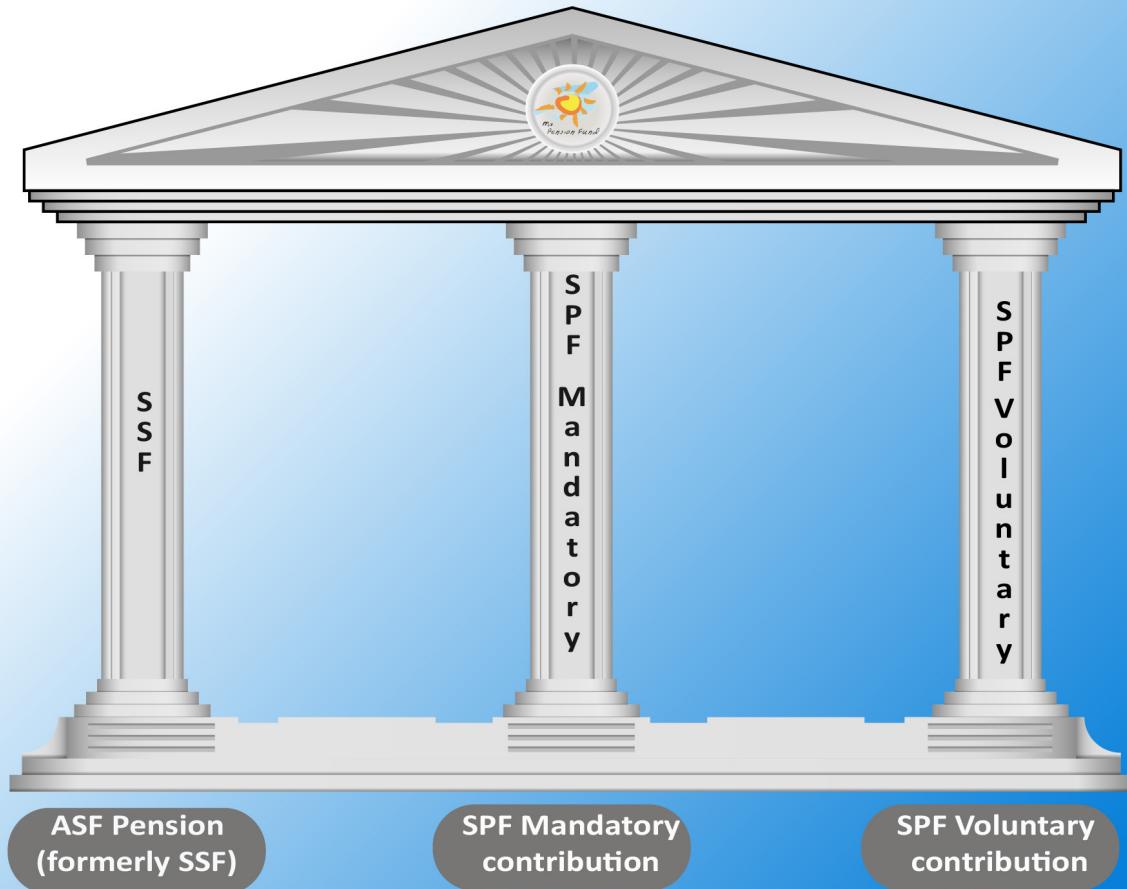
e) Service to Customers

Greater emphasis will be placed on providing high quality service and in finding better and more diverse ways of communicating with all stakeholders. More information sessions will be carried out in work places and a more visible presence in the media are envisaged, with a completely new revamped website, social media being a key tool of communication.

f) Sustainability

SPF has to adapt to a changing world and be sensitive to factors that may affect its long term sustainability. It needs to constantly analyse current trends and developments in pensions around the world with reference to demographics developments in Seychelles, such as ageing population so that SPF remains a modern pension system that is able to provide for the financial security of its members and its long term sustainability.

Pension system in Seychelles



Other Benefits offered monthly

Normal Retirement Pension

Invalidity Pension

Surviving Spouse Pension

Children Pension

Refunds

Death Refund

Non Qualifying Refund

Migration Refund

As a self-employed,
securing your retirement starts

TODAY?
TOMORROW ?
TOO LATE?



Sometimes we start caring
when it's too late.....