

1. SECTION II - MTFS AND FINANCIAL PROJECTIONS OF INDIVIDUAL PUBLIC ENTERPRISES



1.1. Seychelles Pension Funds (SPF)

1.1.1. Strategic Overview

1.1.1.1. *Mandate*

Seychelles Pension Fund (SPF) was established in January 2006, by an Act of Parliament, as an earning replacement mechanism to enable qualifying members to live in basic comfort upon retirement.

SPF operates a Defined Benefit pension system where its members - Seychellois employees, receive a prescribed pension amount as per a formula, upon retirement for life. It is a 'Pay-as-you-go' plan where the generation of tomorrow, pays for the workers of today, and the workers of today pay the workers of yesterday. SPF comprises of three main departments for the efficient delivery of all its services.

- Pension and Benefits - Core function
- Investments - Supplementary function
- Corporate Services - Support function

1.1.1.2. *Vision*

The Seychelles Pension Fund will be a leader and model among retirement systems, by providing the best retirement and related benefit package for its members.

1.1.1.3. *Mission*

The Seychelles Pension Fund is dedicated to manage and secure its funds through prudent investments and innovative methods to pay out the optimum retirement and related benefits to its members.

1.1.1.4. *Strategic Priorities for 2024-2026*

Strategic objectives are currently being reviewed by the BoDs and the management of SPF and hence not included to the MTFS.

1.1.1.5. *Key Challenges*

- Political Risks
- Economic factors (such as, COVID-19, increase in tax, unemployment rate and other related costs)
- Members lack or have limited understanding of the SPF Pension system - potential backlash (negative publicity)
- Influencers/opinion leaders encouraging negative perceptions of SPF
- Increased competition in Real Estate/Properties
- Adverse impact of Government policies (e.g. PEMC monitoring/control, Proposal of government house-reduction in rent, review in taxes)
- Movements in the Country's Demographics affecting SPF (Increase Life Expectancy, increase in child mortality rate, reduced birth rate, increase in foreign workers)
- Social Factors (affecting labour force, Increase in informal sectors etc.)
- High reliance on data from other stakeholders (timeliness & reliability)
- Financial Market challenges - domestic capital market not fully develop
- New emerging technologies that SPF has to be in line with
- Legal Threats

1.1.2. Outlook of Financial Strategy

1.1.2.1. Projected Financial Position of Seychelles Pension Fund

SCR '000

Description	Actual Figures			Provisional	Forecast		
	2020	2021	2022	2023	2024	2025	2026
ASSETS							
Non-Current Assets							
Plant and Equipment	20,790	17,810	18,912	18,228	23,715	21,890	23,245
Investment Properties	1,395,698	1,408,297	1,462,974	1,772,517	2,116,950	2,252,475	2,377,350
Deposit on Leasehold Land	42,139	41,624	41,072	41,072	41,072	41,072	41,072
Investment in Subsidiary Company (OICL value at cost)	40,563	40,563	34,768	34,768	34,768	34,768	34,768
Investment in Associated Companies-Seybrew	265,135	264,340	275,112	275,112	275,112	275,112	275,112
Investment in Associated Companies-Al Salam Bank	36,112	25,334	25,831	25,831	25,831	25,831	25,831
Investment in Associated Companies-C &W	154,935	294,436	660,000	660,000	660,000	660,000	660,000
Investment in Financial Assets	613,642	564,242	603,945	608,945	535,254	535,254	535,254
Loan to Government-(PMC)	90,779	71,947	53,257	33,017	11,096	-	-
	2,659,793	2,728,592	3,175,871	3,469,489	3,723,799	3,846,403	3,972,633
Current Assets							
Investment in Financial Assets	410,950	336,280	413,548	339,790	272,551	419,221	579,871
Receivables and prepayments	81,565	78,598	98,049	103,220	116,419	114,517	113,197
Asset held for sale	203,924	206,566	177,248	208,360	208,360	208,360	208,360
Loan to Government-(PMC)	17,257	18,832	18,832	18,832	18,832	6,188	-
Cash and Cash Equivalents	158,988	143,933	198,103	171,526	171,623	198,261	183,018
	872,683	784,208	905,780	841,728	787,786	946,546	1,084,446
Total Assets	3,532,477	3,512,800	4,081,651	4,311,217	4,511,585	4,792,949	5,057,079
Current Liabilities							
Payables and accruals (Note 3)	81,349	20,951	22,994	23,645	23,500	23,500	23,500
Borrowings	-	-	-	-	-	-	-
	81,349	20,951	22,994	23,645	23,500	23,500	23,500
Non-Current Liabilities							
Borrowings	-	-	-				
Property Deferred lease	6,527	6,418	11,886	12,814	12,000	12,000	12,000
Retirement Benefit Obligations	8,632	8,226	6,309	4,772	4,663	4,555	4,555
	15,159	14,644	18,195	17,586	16,663	16,555	16,555
Net Assets Available for Benefits:	3,435,969	3,477,205	4,040,461	4,269,987	4,471,422	4,752,895	5,017,024
Made up as follows:							
Members' Fund	1,721,566	1,744,100	1,828,904	1,962,967	2,100,362	2,219,824	2,320,893
Other Funds	533,280	533,280	533,280	533,280	533,280	533,280	533,280
Reserve Fund	14,569	14,569	14,569	14,569	14,569	14,569	14,569
Other Reserves	153,926	153,926	153,926	153,926	153,926	153,926	153,926
Retained Earnings	1,012,629	1,031,331	1,509,783	1,605,246	1,669,286	1,831,296	1,994,356
	3,435,969	3,477,205	4,040,461	4,269,987	4,471,422	4,752,895	5,017,024

1.1.2.2. Projected Statement of Comprehensive Income of Seychelles Pension Fund

SCR '000

Description	Actual Figures			Provisional	Forecast		
	2020	2021	2022	2023	2024	2025	2026
INCOME							
Interest Income	45,427	47,391	38,906	43,143	34,337	34,302	34,728
Dividend Income	22,312	21,351	54,738	51,750	52,559	53,610	54,683
Rental Income	114,220	94,098	98,301	104,668	111,496	112,611	113,738
Other income-Surcharge	980	566	1,304	468	280	250	200
Profit on Disposal of Property & Equipment	130	287	153	-	-	-	-
Profit on sale of investments	17,574	-	-	-	-	-	-
Increase in fair value of associates	-	-	-	-	-	-	-
Insurance claim proceeds received	-	-	30,020	-	-	-	-
Amortisation of deferred Government Grant	109	109	109	109	109	109	109
	200,751	163,802	223,531	200,137	198,781	200,883	203,457
EXPENDITURE							
Interest credited to members	35,595	37,307	37,523	47,629	49,534	50,773	52,296
Administrative Expenses	48,629	44,448	51,153	57,531	59,985	61,484	63,021
Decrease in fair value of quoted equities	-	-	-	-	-	-	-
Decrease in fair value of investment properties	-	-	-	-	-	-	-
Investment Fees	220	1,123	1,103	4,455	6,013	6,163	6,317
Impairment loss on trade and other receivables	-	-	-	-	-	-	-
Events, Publicity & Marketing expenses	2,530	1,602	1,558	1,821	2,244	2,300	2,358
Property management expenses	32,069	21,965	23,035	22,508	25,634	26,275	26,931
Others-Covid 19	303	271	120	-	-	-	-
Depreciation of property and equipment	6,050	5,557	5,363	5,500	5,500	5,638	5,778
Amortisation of deposit on lease - (Caravelle House)	515	515	551	551	551	551	551
Loss on disposal of property, plant and equipment	-	-	886	-	-	-	-
Provision for credit impairment	4,886	1,142	2,251	500	250	100	50
Auditors' Remuneration	400	385	385	400	424	435	445
Other professional fees	3,205	3,196	4,789	1,942	1,908	1,955	2,004
	134,404	117,511	128,716	142,839	152,043	155,674	159,753
Surplus (With F. Value adj)	66,348	46,291	94,815	57,298	46,738	45,209	43,704
Loss on exchange							
Surplus (Without F. Value adj)							
Gain/(Loss) on Exchange Differences	14,571	(44,831)	(5,645)	-	-	-	-
Surplus for the year before fair value changes	80,919	1,460	89,170	57,298	46,738	45,209	43,704
Increase/(Decrease) in fair value of quoted equities	(33)	(2,534)	(399)	-	-	-	-
Increase/(Decrease) in fair value of subsidiaries (OICL)	(3,863)		(5,795)	-	-	-	-
Increase/(Decrease) in fair value of investment properties	(9,328)	(15,678)	13,054	-	-	-	-
Increase in fair value of unquoted equities				-	-	-	-
Increase in fair value of PPE				-	-	-	-
Decrease in fair value of quoted equities				-	-	-	-
Increase/(Decrease) in fair value of associates-Seybrew	16,540	(796)	10,772	-	-	-	-
Increase/(Decrease) in fair value of associates-Alsalam bank	13,708	(10,778)	497	-	-	-	-
Increase/(Decrease) in fair value of associates-CWS	(175,469)	139,501	365,564	-	-	-	-
Total fair value changes	(158,446)	109,716	383,694	-	-	-	-
Other comprehensive income							
Increase/(Decrease) in fair value of unquoted equities	146,746	(92,472)	5,587	-	-	-	-
Total other comprehensive income	146,746	(92,472)	5,587	-	-	-	-
Net changes in fair value of investment	(11,699)	17,243	389,281	-	-	-	-
Surplus for the year	69,220	18,703	478,451	57,298	46,738	45,209	43,704
Retained surplus brought forward	943,409	1,012,629	1,031,331	1,509,783	1,567,080	1,613,819	1,659,028
Retained surplus carried forward	1,012,629	1,031,331	1,509,783	1,567,080	1,613,819	1,659,028	1,702,732

1.1.2.3. Projected Cash flow Statement of Seychelles Pension Fund

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Description	Actual Figures			Provisional	Forecast		
	2020	2021	2022	2023	2024	2025	2026
OPERATING ACTIVITIES							
Net increase in assets available for benefits	145,339	41,236	563,256	191,361	184,133	164,672	144,773
Adjustments for:							
Depreciation of property and equipment	6,050	5,557	5,363	5,500	5,500	5,638	5,778
Amortization of right of use	515	515	551	551	551	551	551
Amortization of deferred government Grant	(109)	(109)	(109)	(109)	(109)	(109)	(109)
Write off of property plant and equipment	92	-	-	-	-	-	-
Profit/(Loss) on disposal of PPEs	(130)	-	(153)	-	-	-	-
Profit/(Loss) on disposal of held for sale assets	(11,755)	(287)	886	-	-	-	-
Retirement benefit obligation charge	1,394	(407)	3,660	928	1,435	1,426	1,426
Revaluation of plant and equipment	-	-	-	-	-	-	-
Provision for credit impairment	4,886	1,142	2,251	500	250	100	50
Bad and doubtful debts written off against provision	(38)	-	-	-	-	-	-
Fair value loss on investment properties	9,328	19,224	(4,017)				
Fair value gains transferred to reserve	-	-	-	-	-	-	-
Fair value gain on quoted and unquoted equities	(146,713)	95,006	(5,188)	-	-	-	-
Fair value loss on associates	145,221	(127,927)	(376,834)	-	-	-	-
Fair value loss on subsidiary	3,863	-	5,795	-	-	-	-
Interest receivable	(45,427)	(47,391)	(38,906)	(37,374)	(35,121)	(34,302)	(34,728)
Dividend income	(22,312)	(21,351)	(54,738)	(51,750)	(52,559)	(53,610)	(54,683)
	90,205	(34,790)	101,817	109,607	104,081	84,365	63,059
Changes in working capital:							
- Decrease/(Increase) in receivables and prepayments	(13,086)	1,825	(21,702)	(5,671)	(13,450)	1,802	1,270
- (Decrease)/Increase in payables and accruals	(151,116)	(60,398)	2,043	650	(145)	-	-
Net cash (used in)/ generated from operations	(73,997)	(93,362)	82,158	104,587	90,486	86,167	64,329
Cash flows from investing activities							
Purchase of property and equipment	(3,482)	(2,577)	(3,522)	(5,043)	(2,977)	(1,250)	(1,250)
Proceeds from disposal of property and equipment	130	-	387	-	-	-	-
Proceeds from disposal of asset held for sale	68,500	-	-	-	-	-	-
Proceeds from disposal of investment properties	-	5,261	-	-	-	-	-
Purchase of assets held for sale	(1,264)	(2,642)	-	-	-	-	-
Purchase of investment properties	(72,374)	(36,797)	(24,518)	(82,748)	(344,434)	(135,525)	(124,875)
Purchase of shares- Cable & Wireless	-	-	-	-	-	-	-
Repayment of loans by PMC	25,109	25,109	25,109	25,109	25,109	25,109	6,229
Purchase of financial assets	(351,530)	(344,320)	(738,136)	(152,737)	147,420	(34,408)	(17,620)
Proceeds from redemption of financial assets	402,972	373,383	625,468	32,505	31,933	32,933	34,687
Interest received (net of interest on PMC loan)	36,252	39,539	32,486	51,750	52,559	53,610	54,683
Dividend received	22,312	21,351	54,738	-	-	-	-
Net cash generated/ (used in) investing activities	126,626	78,307	(27,988)	(131,164)	(90,389)	(59,530)	(48,146)
Net increase in cash and cash equivalents	52,629	(15,055)	54,170	(26,577)	97	26,637	16,183
Cash and cash equivalents at January 1,	106,359	158,988	143,933	198,103	171,526	171,623	198,261
Cash and cash equivalents at December 31,	158,988	143,933	198,103	171,526	171,623	198,261	214,443

1.1.2.4. Projected Capital Investment Plan of Seychelles Pension Fund

Project Name	Project Purpose and Description	Total Estimated Project Cost	Expected Outcome of the Project	Source of Finds	Year of Project Commenced	Expected Completion Date	Actual Figures			Provisional	Forecast		
							2020	2021	2022	2023	2024	2025	2026
Major Capital Investments													
Pirates Arms Re-Development	SCR400m - projected completion date end of Dec 2027 SCR97m including 5% retention (SCR20m) in Yr2027	Information Not Provided								158,446	66,000	66,000	
Ile Du Port	Provisional Sum for any amendments to layout. I.e. Partitioning of new officespaces for prospective tenants.									1,000	150	100	
Pointe au Sel project										-	-	-	
Oceangate House renovation (Minor capital work)	Phase 2-8m For full refurbishment of Ocean Gate house. i.e. replace tiles, window, roof sheets, painting, spalling concrete etc.									8,100	150	100	
Le Chantier Mall	Yr2 -reconstruction-/5% retention SCR12.5m in yr 2026/ Total estimated project cost SCR250m-practical completion date by end of qtr 1 of 2026									118,982	58,000	40,000	
5th June Car park project										-	-	-	
Continental Building	estimated SR60m total project costs for reconstruction of Continental buildings/cometion 2nd qtr yr 2025/includes 5% retention SCR3m in yr 2025									32,000	-	28,000	
Huteau Lane (demolition and renovation)	2.5M for surfacing of carpark and associated infrastructures									2,500	-	-	
Unity House blocks A, B, C	SCR5m for refurbishment-tiles replacement/upgrading of sensors for urinals/cladding of lift area/installation of terrazzo flooring in staircase in blocks A,B & C									5,000	-	-	
Corail D'or	Phase 2:Refurbishment by end 2023 -SCR15m for total estimated cost/estimated completion date by end of Qtr 3 in 2024/5% retention of SCR750k in Qtr 2 Yr2025									8,750	-	750	
Praslin Holiday Home (28 self catering apartments)	500K is being budgeted for any maintenance or work required at PHH - CFO comments any maintenance to be captured in P&L maintenance budgets									-	-	-	
La Clementine	CFO comments-any maintenance to be captured in Property Maintenancebudget									-	-	-	
Maison Collet	Refurbishment of fire alarm system inclduing breeching inlet valves & fire fighting equipment									2,000	250	250	

Information Not Provided

Providence Industrial Estate (SENPA)	Phase 2-Estimated SCR4m total cost for refurbishment (includes DR site)-SCR3m for Yr2023	Information Not Provided	1,000	50	50	
Eve Island	Estimated SCR3m total cost for refurbishment - SCR300k for Yr2023-expected completion end oct 2024		2,700	50	50	
Caravelle House	2M being budgeted for refurbishment works at Caravelle house, to accommodate new offices etc.		2,000	100	100	
La Passe Pension House	Refurbishment of 900k (buffer of 100K)- retention of 5% considered- SCR645k expected by end of yr 2023		255	25	25	
Praslin Pension Complex 1	Major renovation of the 12 apartments- upgrading roof & ceiling-estimated SCR1.5m		1,500	50	50	
Providence Warehouse	replace & upgrade lifts		200	50	50	
Total	Information Not Provided		344,434	124,875	135,525	
Replacements and upkeep of Assets (PPE)						
Purchase of Fixed Assets (IT)	Information Not Provided		1,200	477	500	500
Digitalisation Development			2,500	1,500	500	500
Purchase of Fixed Assets (HRA)			550	900	250	250
Tools & Equipment (Property)			100	-	-	-
Purchase of SAGE (accounting software)			537	100	-	-
E-Platform Website Software (Seyonline)			156	-	-	-
Total			5,043	2,977	1,250	1,250
GRAND TOTAL			5,043	347,411	126,125	136,775

1.1.3. Projected TAX, Dividend, Debt Payments, Subventions, Grants and Contingencies

1.1.3.1. Projected Tax Implications

Details Not Provided.

1.1.3.2. Projected Dividend Distribution

The SPF does not disburse any Dividends and hence not applicable.

1.1.3.3. Projected Debt Payments

Details Not Provided.

1.1.3.4. Projected Grants and Subsidies

Details Not Provided.

1.1.3.5. Contingencies of Seychelles Pension Fund

No anticipated contingent liabilities

1.1.3.6. Assumptions used for the Financial Projections

Details Not Provided.

1.1.4. KPIs, Risk Management Strategy and Reporting Obligations

1.1.4.1. Key Performance Indicators

Not Provided.

1.1.4.2. Risks and Resilience Plan of Seychelles Pension Fund

Risk Category	Potential Risks Identified	Risk Mitigation Strategies
Strategic Risks	Financial (Incl. Investment related risks, Inflation, Solvency, liquidity, Credit, Systemic, Asset & Liability mismatch)	<ul style="list-style-type: none">- Investment policy;- Close monitoring of asset performance;- Close monitoring of debtors (tenants, employers) - Debtor management policy and plan; Debtors recovery committee- Cashflow analysis - Management maintains levels of cash and deposits which are sufficient to meet reasonable expectations of its short-term obligations;- Adequate level of liquid financial instruments within the Investment portfolio;- Capped indexation;- Real returns are calculated.
	Legal & Regulatory	<ul style="list-style-type: none">- SPF Act & Regulations;- Legal retainers;- Adherence to all relevant laws & regulations;- Communication and/or consultation between SPF, Government and Regulators specifically in regards to decisions that may impact the Fund;- Comprehensive review of SPF Act & Regulations.
	Governance	<ul style="list-style-type: none">- Transparency and accuracy in reporting;- Adherence to reporting requirements as per SPF Act, and compliance obligations;- Adherence to reporting requirement of the regulator;- Communication with members and stakeholders;- Board charter;- Independent Board of Trustees;- Ensuring that trustees and senior Management possess a shared understanding of pensions and the risks that may hinder the achievement of strategic objectives and affect reputation and long-term sustainability;- Board approved policies which promotes good governance i.e. conflict of Interest, whistle blowing etc.;- Board sub committees; Audit & Risk Committee, Remuneration Committee, Finance & Investment Committee- Risk Management section, Risk Management policy, Risk Register;- Independent Committees; Tender Evaluation, Tender Review Panel & medical Board.- Independent internal audit function;- Strategic planning /Strategic plan.

	Market (Incl. Price, Interest rate, Foreign currency)	<ul style="list-style-type: none"> - Investment policy; - The Fund holds a diversified portfolio of investments and by the selection of securities and other financial instruments within specified limits in accordance with its investment policy some markets risks can be partly mitigated; - Market analysis, the Fund monitors the performance of its assets and the fluctuation in foreign exchange rates on a periodic basis; - Financial planning / budgeting.
	Environmental and Climate (Incl. Social & Health)	<ul style="list-style-type: none"> - ESG has been incorporated in SPF Investments; - Business Continuity plans and systems in place to minimize the effects of a broad range of external disruptions (fires, floods, Covid-19, Tsunamis etc.) and to ensure that business operations are maintained to an acceptable level.
	Funding (Incl. Actuarial related risks, Longevity)	<ul style="list-style-type: none"> - Triennial Actuarial valuation; - Actuarial investigations prior to parametric changes; - Independent Actuary contracted; - Funding policy.
	Stakeholder & Employer Related	<ul style="list-style-type: none"> - Awareness and sensibilization programmes; - Pension education initiatives; - Stakeholder consultations; - Site visits and employer education.
Operational Risks	Internal Fraud	<ul style="list-style-type: none"> - Policies & SOPs with appropriate sanctions (Human Resource, Code of conduct & Ethics, No Gift, Conflict of Interest, IT, etc.); - Disciplinary committee; - Internal audit plan & checks; - Risk event investigations; - Annual external Audits.
	External Fraud	<ul style="list-style-type: none"> - Policies & SOPs (Whistle blowing, AML, IT etc.); - IT system undergoes frequent testing; - Internal audit plan & checks; - Annual external Audits.
	Employment practices & work place safety	<ul style="list-style-type: none"> - Policies & SOPs (Human Resource, Health & Safety etc.) - Adherence to employment laws & regulations which govern SPF; - Health & Safety unit;
	Clients, products, & business practice	<ul style="list-style-type: none"> - Policies & SOPs; - Contracts with clients/tenants; - Contracts with third-party service providers;
	Damage to physical assets	<ul style="list-style-type: none"> - Policies & SOPs; - Insurances; - Property checks; - CCTV cameras; - Scheduled preventive maintenance; - Timely corrective maintenance;
	Business disruption and systems failures	<ul style="list-style-type: none"> - Policies & SOPs (i.e. IT policies); - BCPs; - Backup systems; - Scheduled system / security software updates; - Firewalls upgrades; - New technologies, Software's & hardware's); - Access rights; - Ongoing security awareness trainings for staff; - Disaster recovery site; - Alternate service providers;
	Execution, delivery, & process management	<ul style="list-style-type: none"> - Policies & SOPs (Majority); - Adherence to statutory reporting obligations; - Sustaining adequate operational resources (people, system & financial) to ensure that there are adequate operational processes, systems and controls in place to support the provision of services to our members, stakeholders and the general public; - Use of new technology which improves efficiency; - Recruitment of high calibre candidates to maximize the personal and collective contributions of staff towards the achievement of our strategic vision and goals; - Conducive working environment with career development, rewards and recognition; - Staff Performance Improvement plan;
Reputational Risks	Reputational Risks	<ul style="list-style-type: none"> - Effective and innovative delivery of services; - Communication strategy; - Press releases; - Meeting statutory commitments; - Due diligence activities; - Partnerships; - Managing member expectations; - Timely communication with members, regulators and stakeholders; - Awareness and education programs for members;

1.1.4.3. *List of External Reporting's by the Seychelles Pension Fund*

Name/Title of the Report	Recipients of the Report	Description of the purpose, content and inclusion of the report	Frequency and Timing of the Report
Audited Financial Statements	Ministry of Finance, PEMC, All SPF Members via SPF website	Statements- Financial Position, Comprehensive Income, Cashflow,	Annually- on or after 31 st March following financial year end
Budgets	PEMC	All budgets and forecasts	Annually -by 30 th Sept

1.1.5. Stakeholder Engagement

The MTFS is in draft mode and yet to be approved by the BoDs and the responsible Minister for SPF. As such, the statement of commitments by the CEO, BoDs and the responsible minister is not included.