

THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

This report is made solely to the members of The Mauritius Civil Service Mutual Aid Association Ltd (the "Company"), as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Report on the Financial Statements

We have audited the group financial statements of The Mauritius Civil Service Mutual Aid Association Ltd (the "Group") and the Company's separate financial statements on pages 7 to 52 which comprise the statements of financial position at June 30, 2013, the statements of profit or loss and other comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors are 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 Companies Act 2001 and Banking Act 2004 as applicable to non-bank financial institutions, and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 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 auditors' judgement, 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 Company'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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

Report on the Financial Statements

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

Opinion

In our opinion, the financial statements on pages 7 to 52 give a true and fair view of the financial position of the Group and the Company at June 30, 2013, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Report on Other Legal and Regulatory Requirements

Companies Act 2001

We have no relationship with, or interests in, the Company or its subsidiary, other than in our capacity as auditors and business advisers and dealings in the ordinary course of business.

We have obtained all information and explanations we have required.

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

Banking Act 2004

In our opinion, the financial statements have been prepared on a basis consistent with that of the preceding year and are complete, fair and properly drawn up and comply with the Banking Act 2004 and the regulations and guidelines of the Bank of Mauritius, as applicable to non-bank financial institutions.

The explanations or information called for or given to us by the officers or agents of the Company were satisfactory.

Financial Reporting Act 2004

The directors are responsible for preparing the Corporate Governance Report. Our responsibility is to report on the extent of compliance with the Code of Corporate Governance as disclosed in the annual report and on whether the disclosure is consistent with the requirements of the Code.

In our opinion, the disclosures in the annual report are consistent with the requirements of the Code.

BDO & Co

Chartered Accountants

Port Louis, Mauritius, September 25, 2013

Rookaya Ghanty, FCCA

Licensed by FRC

THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - YEAR ENDED JUNE 30, 2013

	THE GROUP			THE COMPANY		
		Restated	Restated		Restated	Restated
	2013	2012	2011	2013	2012	2011
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Interest income	2,339,174,245	2,065,351,839	1,795,040,988	2,339,174,245	2,065,351,839	1,795,040,988
Interest expense	(1,401,451,490)	(1,235,594,506)	(1,055,217,264)	(1,401,451,490)	(1,235,594,506)	(1,055,217,264)
Net interest income	937,722,755	829,757,333	739,823,724	937,722,755	829,757,333	739,823,724
Fee income	103,006,821	78,505,071	88,741,347	103,006,821	78,505,071	88,741,347
Rental income	12,925,853	5,711,310	5,730,967	12,925,853	5,711,310	5,730,967
Operating income	1,053,655,429	913,973,714	834,296,038	1,053,655,429	913,973,714	834,296,038
Net impairment loss on financial assets	(44,170,121)	(41,986,402)	(35,589,365)	(44,170,121)	(41,986,402)	(35,589,365)
Personnel expenses	(55,810,005)	(45,203,450)	(38,292,931)	(55,810,005)	(45,203,450)	(38,292,931)
Depreciation and amortisation	(13,579,220)	(11,261,935)	(28,864,920)	(13,579,220)	(11,261,935)	(28,864,920)
Operating lease expenses	(1,970,329)	(1,708,862)	(1,710,609)	(1,970,329)	(1,708,862)	(1,710,609)
Other expenses	(44,506,170)	(38,434,024)	(42,022,706)	(44,506,170)	(38,434,024)	(42,022,706)
	(160,035,845)	(138,594,673)	(146,480,531)	(160,035,845)	(138,594,673)	(146,480,531)
Profit before income tax	893,619,584	775,379,041	687,815,507	893,619,584	775,379,041	687,815,507
Income tax expense	(12,358,395)	(9,475,388)	(10,448,961)	(12,358,395)	(9,475,388)	(10,448,961)
Profit for the year	881,261,189	765,903,653	677,366,546	881,261,189	765,903,653	677,366,546
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	881,261,189	765,903,653	677,366,546	881,261,189	765,903,653	677,366,546
Profit attributable to owners of the parent	881,261,189	765,903,653	677,366,546	881,261,189	765,903,653	677,366,546
Total comprehensive income attributable to owners of the parent	881,261,189	765,903,653	677,366,546	881,261,189	765,903,653	677,366,546
Earnings per share - Basic	446.13	348.66	311.38	446.13	348.66	311.38
Transfer to statutory reserve	814,380	960,000	45,824,915	814,380	960,000	45,824,915

THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD

STATEMENTS OF FINANCIAL POSITION - AS AT JUNE 30, 2013

	THE GROUP			THE COMPANY		
	2013	Restated 2012	Restated 2011	2013	Restated 2012	Restated 2011
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
ASSETS						
Cash and cash equivalents	410,658,152	206,478,113	267,153,019	410,656,824	206,478,113	267,153,019
Loans and advances to customers	24,248,103,456	20,262,208,796	16,680,282,338	24,248,103,456	20,262,208,796	16,680,282,338
Investment in subsidiary company	-	-	-	200,000,000	200,000,000	200,000,000
Held-to-maturity investment securities	2,601,394,118	2,283,407,461	2,289,016,901	2,601,394,118	2,283,407,461	2,289,016,901
Property, plant and equipment	80,623,309	29,257,038	27,049,316	80,623,309	29,257,038	27,049,316
Intangible assets	2,131,817	3,326,553	2,563,130	2,131,817	3,326,553	2,563,130
Investment property	134,168,317	195,249,503	181,192,592	134,168,317	195,249,503	181,192,592
Other assets	318,090,132	233,013,987	141,734,813	318,091,460	233,013,987	141,734,813
Total assets	27,795,169,301	23,212,941,451	19,588,992,109	27,995,169,301	23,412,941,451	19,788,992,109
LIABILITIES						
Deposits from customers	20,097,401,436	16,815,676,837	13,924,066,171	20,097,401,436	16,815,676,837	13,924,066,171
Other borrowed funds	66,857,981	334,828,000	699,475,987	66,857,981	334,828,000	699,475,987
Current tax liabilities	3,138,298	2,579,184	2,626,805	3,138,298	2,579,184	2,626,805
Funds	2,101,094,453	1,835,870,276	1,617,115,020	2,101,094,453	1,835,870,276	1,617,115,020
Retirement benefit obligations	3,647,452	2,221,452	3,669,532	3,647,452	2,221,452	3,669,532
Other liabilities	1,294,472,473	809,269,303	630,679,089	1,494,472,473	1,009,269,303	830,679,089
Total liabilities	23,566,612,093	19,800,445,052	16,877,632,604	23,766,612,093	20,000,445,052	17,077,632,604
Shareholders' equity						
Share capital	220,863,580	220,049,200	219,089,200	220,863,580	220,049,200	219,089,200
Retained earnings	3,777,050,148	2,962,618,099	2,263,401,205	3,777,050,148	2,962,618,099	2,263,401,205
Statutory reserve	220,863,580	220,049,200	219,089,200	220,863,580	220,049,200	219,089,200
Other reserves	9,779,900	9,779,900	9,779,900	9,779,900	9,779,900	9,779,900
Total equity attributable to owners of the parent	4,228,557,208	3,412,496,399	2,711,359,505	4,228,557,208	3,412,496,399	2,711,359,505
Total equity and liabilities	27,795,169,301	23,212,941,451	19,588,992,109	27,995,169,301	23,412,941,451	19,788,992,109

These financial statements have been approved for issue by the Board of Directors on September 25, 2013 and signed on its behalf by:

Mr. P.Neerunjun
Chairperson

Mr. A.K.K.R. Jaunky
Director

Mr. N. Dabeesingh
Chief Executive Officer

THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD

STATEMENTS OF CHANGES IN EQUITY - YEAR ENDED JUNE 30, 2013

THE GROUP

	Share capital	Statutory reserve	Revaluation and other reserves	Retained earnings	Total equity
	Rs.	Rs.	Rs.	Rs.	Rs.
Balance at July 1, 2012, as previously stated	220,049,200	220,049,200	9,779,900	3,022,337,945	3,472,216,245
Prior year adjustments	-	-	-	(59,719,846)	(59,719,846)
As restated	220,049,200	220,049,200	9,779,900	2,962,618,099	3,412,496,399
Issue of shares	814,380	-	-	-	814,380
Profit for the year	-	-	-	881,261,189	881,261,189
Total comprehensive income	-	-	-	881,261,189	881,261,189
Dividend declared	-	-	-	(66,014,760)	(66,014,760)
Movement in respect of the year	-	814,380	-	(814,380)	-
Balance at June 30, 2013	220,863,580	220,863,580	9,779,900	3,777,050,148	4,228,557,208
Balance at July 1, 2011, as previously stated	219,089,200	219,089,200	9,779,900	2,323,409,139	2,771,367,439
Prior year adjustments	-	-	-	(60,007,934)	(60,007,934)
As restated	219,089,200	219,089,200	9,779,900	2,263,401,205	2,711,359,505
Issue of shares	960,000	-	-	-	960,000
Profit for the year	-	-	-	765,903,653	765,903,653
Total comprehensive income	-	-	-	765,903,653	765,903,653
Dividend declared	-	-	-	(65,726,759)	(65,726,759)
Movement in respect of the year	-	960,000	-	(960,000)	-
Balance at June 30, 2012	220,049,200	220,049,200	9,779,900	2,962,618,099	3,412,496,399
Balance at July 1, 2010, as previously stated	218,306,370	173,264,285	9,779,900	1,731,866,171	2,133,216,726
Prior year adjustments	-	-	-	(56,345,328)	(56,345,328)
As restated	218,306,370	173,264,285	9,779,900	1,675,520,843	2,076,871,398
Issue of shares	782,830	-	-	-	782,830
Profit for the year	-	-	-	677,366,546	677,366,546
Total comprehensive income	-	-	-	677,366,546	677,366,546
Dividend declared	-	-	-	(43,661,269)	(43,661,269)
Movement in respect of the year	-	45,824,915	-	(45,824,915)	-
Balance at June 30, 2011	219,089,200	219,089,200	9,779,900	2,263,401,205	2,711,359,505

THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD

STATEMENTS OF CHANGES IN EQUITY - YEAR ENDED JUNE 30, 2013

THE COMPANY

	Share capital	Statutory reserve	Revaluation and other reserves	Retained earnings	Total equity
	Rs.	Rs.	Rs.	Rs.	Rs.
Balance at July 1, 2012, as previously stated	220,049,200	220,049,200	9,779,900	3,022,337,945	3,472,216,245
Prior year adjustments	-	-	-	(59,719,846)	(59,719,846)
As restated	220,049,200	220,049,200	9,779,900	2,962,618,099	3,412,496,399
Issue of shares	814,380	-	-	-	814,380
Profit for the year	-	-	-	881,261,189	881,261,189
Total comprehensive income	-	-	-	881,261,189	881,261,189
Dividend declared	-	-	-	(66,014,760)	(66,014,760)
Movement in respect of the year	-	814,380	-	(814,380)	-
Balance at June 30, 2013	220,863,580	220,863,580	9,779,900	3,777,050,148	4,228,557,208
Balance at July 1, 2011, as previously stated	219,089,200	219,089,200	9,779,900	2,323,409,139	2,771,367,439
Prior year adjustments	-	-	-	(60,007,934)	(60,007,934)
As restated	219,089,200	219,089,200	9,779,900	2,263,401,205	2,711,359,505
Issue of shares	960,000	-	-	-	960,000
Profit for the year	-	-	-	765,903,653	765,903,653
Total comprehensive income	-	-	-	765,903,653	765,903,653
Dividend declared	-	-	-	(65,726,759)	(65,726,759)
Movement in respect of the year	-	960,000	-	(960,000)	-
Balance at June 30, 2012	220,049,200	220,049,200	9,779,900	2,962,618,099	3,412,496,399
Balance at July 1, 2010, as previously stated	218,306,370	173,264,285	9,779,900	1,731,866,171	2,133,216,726
Prior year adjustments	-	-	-	(56,345,328)	(56,345,328)
As restated	218,306,370	173,264,285	9,779,900	1,675,520,843	2,076,871,398
Issue of shares	782,830	-	-	-	782,830
Profit for the year	-	-	-	677,366,546	677,366,546
Total comprehensive income	-	-	-	677,366,546	677,366,546.00
Dividend declared	-	-	-	(43,661,269)	(43,661,269)
Movement in respect of the year	-	45,824,915	-	(45,824,915)	-
Balance at June 30, 2011	219,089,200	219,089,200	9,779,900	2,263,401,205	2,711,359,505

THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD

STATEMENT OF CASH FLOWS - YEAR ENDED JUNE 30, 2013

	THE GROUP			THE COMPANY		
	2013	Restated 2012	Restated 2011	2013	Restated 2012	Restated 2011
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Net cash generated from operating activities	843,373,351	375,496,869	397,334,277	843,372,023	375,496,869	397,334,277
Net cash used in investing activities	(319,759,163)	(25,004,474)	(36,448,529)	(319,759,163)	(25,004,474)	(36,448,529)
Net cash used in financing activities	(319,434,149)	(411,167,301)	(379,862,906)	(319,434,149)	(411,167,301)	(379,862,906)
Net decrease in cash and cash equivalents	204,180,039	(60,674,906)	(18,977,158)	204,178,711	(60,674,906)	(18,977,158)
Cash and cash equivalents at beginning of year	206,478,113	267,153,019	286,130,177	206,478,113	267,153,019	286,130,177
Cash and cash equivalents at end of year	410,658,152	206,478,113	267,153,019	410,656,824	206,478,113	267,153,019