

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 60 which comprise the statements of financial position at June 30, 2014, 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.

THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD

INDEPENDENT AUDITORS' 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 60 give a true and fair view of the financial position of the Group and the Company at June 30, 2014, 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

29 August 2014
Port Louis,
Mauritius.

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, 2014

	THE GROUP			THE COMPANY		
	2014	Restated 2013	Restated 2012	2014	Restated 2013	Restated 2012
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Interest income	2,753,673,505	2,339,174,245	2,065,351,839	2,753,673,505	2,339,174,245	2,065,351,839
Interest expense	(1,545,357,266)	(1,401,451,490)	(1,235,594,506)	(1,545,357,266)	(1,401,451,490)	(1,235,594,506)
Net interest income	1,208,316,239	937,722,755	829,757,333	1,208,316,239	937,722,755	829,757,333
Fee income	152,374,626	103,006,821	78,505,071	152,374,626	103,006,821	78,505,071
Rental income	12,407,183	12,925,853	5,711,310	12,407,183	12,925,853	5,711,310
Operating income	1,373,098,048	1,053,655,429	913,973,714	1,373,098,048	1,053,655,429	913,973,714
Net impairment loss on financial assets	(58,357,480)	(44,170,121)	(41,986,402)	(58,357,480)	(44,170,121)	(41,986,402)
Personnel expenses	(58,435,639)	(55,810,005)	(45,203,450)	(58,435,639)	(55,810,005)	(45,203,450)
Depreciation and amortisation	(9,729,058)	(9,362,891)	(10,407,136)	(9,729,058)	(9,362,891)	(10,407,136)
Operating lease expenses	(2,593,543)	(1,970,329)	(1,708,862)	(2,593,543)	(1,970,329)	(1,708,862)
Other expenses	(43,485,860)	(44,506,170)	(38,434,023)	(43,485,860)	(44,506,170)	(38,434,023)
Deficit in valuation of Fund	(91,547,500)	-	-	(91,547,500)	-	-
Fair value (loss)/gain on investment properties	(7,783,845)	(5,638,481)	17,808,103	(7,783,845)	(5,638,481)	17,808,103
	(271,932,925)	(161,457,997)	(119,931,770)	(271,932,925)	(161,457,997)	(119,931,770)
Profit before income tax	1,101,165,123	892,197,432	794,041,944	1,101,165,123	892,197,432	794,041,944
Income tax expense	(11,611,536)	(12,358,395)	(9,475,388)	(11,611,536)	(12,358,395)	(9,475,388)
Profit for the year	1,089,553,587	879,839,037	784,566,556	1,089,553,587	879,839,037	784,566,556
Other comprehensive income:						
<i>Items that will not be reclassified to profit or loss:</i>						
Remeasurements of post employment benefit obligation:	(14,141,000)	(2,930,000)	(20,084,443)	(14,141,000)	(2,930,000)	(20,084,443)
Total comprehensive income for the year	1,075,412,587	876,909,037	764,482,113	1,075,412,587	876,909,037	764,482,113
Profit attributable to owners of the parent	1,089,553,587	879,839,037	784,566,556	1,089,553,587	879,839,037	784,566,556
Total comprehensive income attributable to owners of the parent	1,075,412,587	876,909,037	764,482,113	1,075,412,587	876,909,037	764,482,113
Earnings per share						
- Basic	549.99	445.41	348.15	549.99	445.41	348.15
Transfer to statutory reserve	865,200	814,380	960,000	865,200	814,380	960,000

THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD

STATEMENTS OF FINANCIAL POSITION - AS AT JUNE 30, 2014

	THE GROUP			THE COMPANY		
	2014	Restated 2013	Restated 2012	2014	Restated 2013	Restated 2012
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
ASSETS						
Cash and cash equivalents	503,188,803	410,658,152	206,478,113	503,187,475	410,656,824	206,478,113
Loans and advances to customers	28,491,643,025	24,248,103,456	20,262,208,796	28,491,643,025	24,248,103,456	20,262,208,796
Investment in subsidiary company	-	-	-	200,000,000	200,000,000	200,000,000
Held-to-maturity investment securities	3,351,275,363	2,601,394,118	2,283,407,461	3,351,275,363	2,601,394,118	2,283,407,461
Property, plant and equipment	80,186,969	80,623,309	29,257,038	80,186,969	80,623,309	29,257,038
Intangible assets	402,793	2,131,817	3,326,553	402,793	2,131,817	3,326,553
Investment property	198,410,269	161,666,667	224,170,005	198,410,269	161,666,667	224,170,005
Other assets	358,649,767	318,090,132	233,013,987	358,651,095	318,091,460	233,013,987
Total assets	32,983,756,989	27,822,667,651	23,241,861,953	33,183,756,989	28,022,667,651	23,441,861,953
LIABILITIES						
Deposits from customers	22,482,381,087	20,097,401,436	16,815,676,837	22,482,381,087	20,097,401,436	16,815,676,837
Other borrowed funds	1,066,676,835	66,857,981	334,828,000	1,066,676,835	66,857,981	334,828,000
Current tax liabilities	1,725,640	3,138,298	2,579,184	1,725,640	3,138,298	2,579,184
Funds	2,743,846,881	2,375,736,953	1,835,870,276	2,743,846,881	2,375,736,953	1,835,870,276
Retirement benefit obligations	39,028,000	23,952,000	19,596,000	39,028,000	23,952,000	19,596,000
Other liabilities	1,656,884,965	1,294,472,473	809,269,303	1,856,884,965	1,494,472,473	1,009,269,303
Total liabilities	27,990,543,408	23,861,559,141	19,817,819,600	28,190,543,408	24,061,559,141	20,017,819,600
Shareholders' equity						
Share capital	221,728,780	220,863,580	220,049,200	221,728,780	220,863,580	220,049,200
Retained earnings	4,574,421,669	3,529,905,998	2,991,538,601	4,574,421,669	3,529,905,998	2,991,538,601
Statutory reserve	221,728,780	220,863,580	220,049,200	221,728,780	220,863,580	220,049,200
Actuarial reserves	(34,445,548)	(20,304,548)	(17,374,548)	(34,445,548)	(20,304,548)	(17,374,548)
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	4,993,213,581	3,961,108,510	3,424,042,353	4,993,213,581	3,961,108,510	3,424,042,353
Total equity and liabilities	32,983,756,989	27,822,667,651	23,241,861,953	33,183,756,989	28,022,667,651	23,441,861,953

These financial statements have been approved for issue by the Board of Directors on August 29, 2014 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, 2014

THE GROUP

	Share capital	Statutory reserve	Revaluation and other reserves	Actuarial gains/(losses)	Retained earnings	Total equity
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance at July 1, 2013						
- as previously reported	220,863,580	220,863,580	9,779,900	-	3,777,050,148	4,228,557,208
- effect of change in actuarial valuation of Fund	-	-	-	-	(274,642,500)	(274,642,500)
- effect of changes in accounting policies	-	-	-	-	27,498,350	27,498,350
- effect of adopting IAS 19 (Revised)	-	-	-	(20,304,548)	-	(20,304,548)
- as restated	220,863,580	220,863,580	9,779,900	(20,304,548)	3,529,905,998	3,961,108,510
Issue of shares	865,200	-	-	-	-	865,200
Profit for the year	-	-	-	-	1,089,553,587	1,089,553,587
Other comprehensive income for the year	-	-	-	(14,141,000)	-	(14,141,000)
Total comprehensive income	-	-	-	(14,141,000)	1,089,553,587	1,075,412,587
Dividend declared	-	-	-	-	(44,172,716)	(44,172,716)
Movement in respect of the year	-	865,200	-	-	(865,200)	-
Balance at June 30, 2014	221,728,780	221,728,780	9,779,900	(34,445,548)	4,574,421,669	4,993,213,581
Balance at July 1, 2012						
- as previously reported	220,049,200	220,049,200	9,779,900	-	2,962,618,099	3,412,496,399
- effect of changes in accounting policies	-	-	-	-	28,920,502	28,920,502
- effect of adopting IAS 19 (Revised)	-	-	-	(17,374,548)	-	(17,374,548)
- as restated	220,049,200	220,049,200	9,779,900	(17,374,548)	2,991,538,601	3,424,042,353
Issue of shares	814,380	-	-	-	-	814,380
Profit for the year	-	-	-	-	879,839,037	879,839,037
Other comprehensive income for the year	-	-	-	(2,930,000)	-	(2,930,000)
Total comprehensive income	-	-	-	(2,930,000)	879,839,037	876,909,037
Effect of change in actuarial valuation of Fund	-	-	-	-	(274,642,500)	(274,642,500)
Dividend declared	-	-	-	-	(66,014,760)	(66,014,760)
Movement in respect of the year	-	814,380	-	-	(814,380)	-
Balance at June 30, 2013 (restated)	220,863,580	220,863,580	9,779,900	(20,304,548)	3,529,905,998	3,961,108,510
Balance at July 1, 2011						
- as previously reported	219,089,200	219,089,200	9,779,900	-	2,263,401,205	2,711,359,505
- effect of changes in accounting policies	-	-	-	-	10,257,599	10,257,599
- effect of adopting IAS 19 (Revised)	-	-	-	2,709,895	-	2,709,895
- as restated	219,089,200	219,089,200	9,779,900	2,709,895	2,273,658,804	2,724,326,999
Issue of shares	960,000	-	-	-	-	960,000
Profit for the year	-	-	-	-	784,566,556	784,566,556
Other comprehensive income for the year	-	-	-	(20,084,443)	-	(20,084,443)
Total comprehensive income	-	-	-	(20,084,443)	784,566,556	764,482,113
Dividend declared	-	-	-	-	(65,726,759)	(65,726,759)
Movement in respect of the year	-	960,000	-	-	(960,000)	-
Balance at June 30, 2012 (restated)	220,049,200	220,049,200	9,779,900	(17,374,548)	2,991,538,601	3,424,042,353

THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD

STATEMENTS OF CHANGES IN EQUITY - YEAR ENDED JUNE 30, 2014

THE COMPANY

	Share capital	Statutory reserve	Revaluation and other reserves	Actuarial gains/(losses)	Retained earnings	Total equity
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance at July 1, 2013						
- as previously reported	220,863,580	220,863,580	9,779,900	-	3,777,050,148	4,228,557,208
- effect of change in actuarial valuation of Fund	-	-	-	-	(274,642,500)	(274,642,500)
- effect of changes in accounting policies	-	-	-	-	27,498,350	27,498,350
- effect of adopting IAS 19 (Revised)	-	-	-	(20,304,548)	-	(20,304,548)
- as restated	220,863,580	220,863,580	9,779,900	(20,304,548)	3,529,905,998	3,961,108,510
Issue of shares	865,200	-	-	-	-	865,200
Profit for the year	-	-	-	-	1,089,553,587	1,089,553,587
Other comprehensive income for the year	-	-	-	(14,141,000)	-	(14,141,000)
Total comprehensive income	-	-	-	(14,141,000)	1,089,553,587	1,075,412,587
Dividend declared	-	-	-	-	(44,172,716)	(44,172,716)
Movement in respect of the year	-	865,200	-	-	(865,200)	-
Balance at June 30, 2014	221,728,780	221,728,780	9,779,900	(34,445,548)	4,574,421,669	4,993,213,581
Balance at July 1, 2012						
- as previously reported	220,049,200	220,049,200	9,779,900	-	2,962,618,099	3,412,496,399
- effect of changes in accounting policies	-	-	-	-	28,920,502	28,920,502
- effect of adopting IAS 19 (Revised)	-	-	-	(17,374,548)	-	(17,374,548)
- as restated	220,049,200	220,049,200	9,779,900	(17,374,548)	2,991,538,601	3,424,042,353
Issue of shares	814,380	-	-	-	-	814,380
Profit for the year	-	-	-	-	879,839,037	879,839,037
Other comprehensive income for the year	-	-	-	(2,930,000)	-	(2,930,000)
Total comprehensive income	-	-	-	(2,930,000)	879,839,037	876,909,037
Effect of change in actuarial valuation of Fund	-	-	-	-	(274,642,500)	(274,642,500)
Dividend declared	-	-	-	-	(66,014,760)	(66,014,760)
Movement in respect of the year	-	814,380	-	-	(814,380)	-
Balance at June 30, 2013 (restated)	220,863,580	220,863,580	9,779,900	(20,304,548)	3,529,905,998	3,961,108,510
Balance at July 1, 2011						
- as previously reported	219,089,200	219,089,200	9,779,900	-	2,263,401,205	2,711,359,505
- effect of changes in accounting policies	-	-	-	-	10,257,599	10,257,599
- effect of adopting IAS 19 (Revised)	-	-	-	2,709,895	-	2,709,895
- as restated	219,089,200	219,089,200	9,779,900	2,709,895	2,273,658,804	2,724,326,999
Issue of shares	960,000	-	-	-	-	960,000
Profit for the year	-	-	-	-	784,566,556	784,566,556
Other comprehensive income for the year	-	-	-	(20,084,443)	-	(20,084,443)
Total comprehensive income	-	-	-	(20,084,443)	784,566,556	764,482,113
Dividend declared	-	-	-	-	(65,726,759)	(65,726,759)
Movement in respect of the year	-	960,000	-	-	(960,000)	-
Balance at June 30, 2012 (restated)	220,049,200	220,049,200	9,779,900	(17,374,548)	2,991,538,601	3,424,042,353

THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD

STATEMENT OF CASH FLOWS - YEAR ENDED JUNE 30, 2014

	THE GROUP			THE COMPANY		
		Restated	Restated		Restated	Restated
	2014	2013	2012	2014	2013	2012
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Net cash (used in)/generated from operating activities	(84,773,511)	843,373,351	375,496,869	(84,773,511)	843,372,023	375,496,869
Net cash used in investing activities	(788,473,962)	(319,759,163)	(25,004,474)	(788,473,962)	(319,759,163)	(25,004,474)
Net cash generated from/(used in) financing activities	965,778,124	(319,434,149)	(411,167,301)	965,778,124	(319,434,149)	(411,167,301)
Net increase/(decrease) in cash and cash equivalents	92,530,651	204,180,039	(60,674,906)	92,530,651	204,178,711	(60,674,906)
Cash and cash equivalents at beginning of year	410,658,152	206,478,113	267,153,019	410,656,824	206,478,113	267,153,019
Cash and cash equivalents at end of year	503,188,803	410,658,152	206,478,113	503,187,475	410,656,824	206,478,113