

## **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 56 which comprise the statements of financial position at June 30, 2015, 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 56 give a true and fair view of the financial position of the Group and the Company at June 30, 2015, 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 24, 2015**

**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, 2015

	THE GROUP			THE COMPANY		
	2015	2014	2013	2015	2014	2013
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Interest income	3,181,263,749	2,753,673,505	2,339,174,245	3,181,263,749	2,753,673,505	2,339,174,245
Interest expense	(1,699,106,013)	(1,545,357,266)	(1,401,451,490)	(1,699,106,013)	(1,545,357,266)	(1,401,451,490)
<b>Net interest income</b>	<b>1,482,157,736</b>	<b>1,208,316,239</b>	<b>937,722,755</b>	<b>1,482,157,736</b>	<b>1,208,316,239</b>	<b>937,722,755</b>
Fee income	142,746,532	152,373,192	102,916,721	142,746,532	152,373,192	102,916,721
Rental income	13,343,075	12,407,183	12,925,853	13,343,075	12,407,183	12,925,853
Other gains - net	12,047,403	-	9,534	12,047,403	-	9,534
<b>Operating income</b>	<b>1,650,294,746</b>	<b>1,373,096,614</b>	<b>1,053,574,863</b>	<b>1,650,294,746</b>	<b>1,373,096,614</b>	<b>1,053,574,863</b>
Net impairment loss on financial assets	(47,247,867)	(58,357,480)	(44,170,121)	(47,247,867)	(58,357,480)	(44,170,121)
Personnel expenses	(66,556,513)	(58,435,639)	(55,810,005)	(66,556,513)	(58,435,639)	(55,810,005)
Depreciation and amortisation	(8,943,162)	(9,729,058)	(9,362,891)	(8,943,162)	(9,729,058)	(9,362,891)
Operating lease expenses	(2,333,071)	(2,593,543)	(1,970,329)	(2,333,071)	(2,593,543)	(1,970,329)
Other expenses	(45,316,966)	(43,484,426)	(44,425,604)	(45,316,966)	(43,484,426)	(44,425,604)
Deficit in valuation of Fund	-	(91,547,500)	-	-	(91,547,500)	-
Fair value gain/(loss) on investment properties	20,134,797	(7,783,845)	(5,638,481)	20,134,797	(7,783,845)	(5,638,481)
	(150,262,782)	(271,931,491)	(161,377,431)	(150,262,782)	(271,931,491)	(161,377,431)
<b>Profit before income tax</b>	<b>1,500,031,964</b>	<b>1,101,165,123</b>	<b>892,197,432</b>	<b>1,500,031,964</b>	<b>1,101,165,123</b>	<b>892,197,432</b>
Income tax expense	(16,346,391)	(11,611,536)	(12,358,395)	(16,346,391)	(11,611,536)	(12,358,395)
<b>Profit for the year</b>	<b>1,483,685,573</b>	<b>1,089,553,587</b>	<b>879,839,037</b>	<b>1,483,685,573</b>	<b>1,089,553,587</b>	<b>879,839,037</b>
Other comprehensive income: <i>Items that will not be reclassified to profit or loss:</i>						
Remeasurements of post employment benefit obligations	15,520,000	(14,141,000)	(2,930,000)	15,520,000	(14,141,000)	(2,930,000)
<b>Total comprehensive income for the year</b>	<b>1,499,205,573</b>	<b>1,075,412,587</b>	<b>876,909,037</b>	<b>1,499,205,573</b>	<b>1,075,412,587</b>	<b>876,909,037</b>
Profit attributable to owners of the parent	1,483,685,573	1,089,553,587	879,839,037	1,483,685,573	1,089,553,587	879,839,037
Total comprehensive income attributable to owners of the parent	1,499,205,573	1,075,412,587	876,909,037	1,499,205,573	1,075,412,587	876,909,037
Earnings per share - Basic	725.41	549.99	445.41	725.41	549.99	445.41
Transfer to statutory reserve	980,120	865,200	814,380	980,120	865,200	814,380

THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD

STATEMENTS OF FINANCIAL POSITION - AS AT JUNE 30, 2015

	THE GROUP			THE COMPANY		
	2015	2014	2013	2015	2014	2013
ASSETS	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Cash and cash equivalents	585,736,388	503,188,803	410,658,152	585,735,060	503,187,475	410,656,824
Loans and advances to customers	31,918,801,104	28,491,643,025	24,248,103,456	31,918,801,104	28,491,643,025	24,248,103,456
Investment in subsidiary company	-	-	-	10,000,000	200,000,000	200,000,000
Held-to-maturity investment securities	2,530,327,660	3,351,275,363	2,601,394,118	2,530,327,660	3,351,275,363	2,601,394,118
Property, plant and equipment	181,426,250	80,186,969	80,623,309	181,426,250	80,186,969	80,623,309
Intangible assets	51,018,804	402,793	2,131,817	51,018,804	402,793	2,131,817
Investment property	195,330,446	198,410,269	161,666,667	195,330,446	198,410,269	161,666,667
Other assets	501,049,737	358,649,767	318,090,132	501,051,065	358,651,095	318,091,460
Retirement benefit asset	15,748,000	-	-	15,748,000	-	-
<b>Total assets</b>	<b>35,979,438,389</b>	<b>32,983,756,989</b>	<b>27,822,667,651</b>	<b>35,989,438,389</b>	<b>33,183,756,989</b>	<b>28,022,667,651</b>
<b>LIABILITIES</b>						
Deposits from customers	23,828,243,003	22,482,381,087	20,097,401,436	23,828,243,003	22,482,381,087	20,097,401,436
Other borrowed funds	914,091,135	1,066,676,835	66,857,981	914,091,135	1,066,676,835	66,857,981
Current tax liabilities	2,784,949	1,725,640	3,138,298	2,784,949	1,725,640	3,138,298
Funds	3,014,432,987	2,743,846,881	2,375,736,953	3,014,432,987	2,743,846,881	2,375,736,953
Retirement benefit obligations	-	39,028,000	23,952,000	-	39,028,000	23,952,000
Other liabilities	1,766,187,497	1,656,884,965	1,294,472,473	1,776,187,497	1,856,884,965	1,494,472,473
<b>Total liabilities</b>	<b>29,525,739,571</b>	<b>27,990,543,408</b>	<b>23,861,559,141</b>	<b>29,535,739,571</b>	<b>28,190,543,408</b>	<b>24,061,559,141</b>
<b>Shareholders' equity</b>						
Share capital	222,708,900	221,728,780	220,863,580	222,708,900	221,728,780	220,863,580
Retained earnings	6,017,426,666	4,574,421,669	3,529,905,998	6,017,426,666	4,574,421,669	3,529,905,998
Statutory reserve	222,708,900	221,728,780	220,863,580	222,708,900	221,728,780	220,863,580
Actuarial reserves	(18,925,548)	(34,445,548)	(20,304,548)	(18,925,548)	(34,445,548)	(20,304,548)
Other reserves	9,779,900	9,779,900	9,779,900	9,779,900	9,779,900	9,779,900
<b>Total equity attributable to owners of the parent</b>	<b>6,453,698,818</b>	<b>4,993,213,581</b>	<b>3,961,108,510</b>	<b>6,453,698,818</b>	<b>4,993,213,581</b>	<b>3,961,108,510</b>
<b>Total equity and liabilities</b>	<b>35,979,438,389</b>	<b>32,983,756,989</b>	<b>27,822,667,651</b>	<b>35,989,438,389</b>	<b>33,183,756,989</b>	<b>28,022,667,651</b>

These financial statements have been approved for issue by the Board of Directors on September 24, 2015.

Mr. P. Neerunjun  
Chairperson

Mr M. Bheekhee  
Director

Mr. N. Dabeesingh  
Chief Executive Officer

THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD

STATEMENTS OF CHANGES IN EQUITY - YEAR ENDED JUNE 30, 2015

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, 2014	221,728,780	221,728,780	9,779,900	(34,445,548)	4,574,421,669	4,993,213,581
Issue of shares	980,120	-	-	-	-	980,120
Profit for the year	-	-	-	-	1,483,685,573	1,483,685,573
Other comprehensive income for the year	-	-	-	15,520,000	-	15,520,000
Total comprehensive income	-	-	-	15,520,000	1,483,685,573	1,499,205,573
Dividend declared	-	-	-	-	(39,700,456)	(39,700,456)
Movement in respect of the year	-	980,120	-	-	(980,120)	-
<b>Balance at June 30, 2015</b>	<b>222,708,900</b>	<b>222,708,900</b>	<b>9,779,900</b>	<b>(18,925,548)</b>	<b>6,017,426,666</b>	<b>6,453,698,818</b>
Balance at July 1, 2013	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)	-
<b>Balance at June 30, 2014</b>	<b>221,728,780</b>	<b>221,728,780</b>	<b>9,779,900</b>	<b>(34,445,548)</b>	<b>4,574,421,669</b>	<b>4,993,213,581</b>
Balance at July 1, 2012	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)	-
<b>Balance at June 30, 2013</b>	<b>220,863,580</b>	<b>220,863,580</b>	<b>9,779,900</b>	<b>(20,304,548)</b>	<b>3,529,905,998</b>	<b>3,961,108,510</b>

THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD

STATEMENTS OF CHANGES IN EQUITY - YEAR ENDED JUNE 30, 2015

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, 2014	221,728,780	221,728,780	9,779,900	(34,445,548)	4,574,421,669	4,993,213,581
Issue of shares	980,120	-	-	-	-	980,120
Profit for the year	-	-	-	-	1,483,685,573	1,483,685,573
Other comprehensive income for the year	-	-	-	15,520,000	-	15,520,000
Total comprehensive income	-	-	-	15,520,000	1,483,685,573	1,499,205,573
Dividend declared	-	-	-	-	(39,700,456)	(39,700,456)
Movement in respect of the year	-	980,120	-	-	(980,120)	-
<b>Balance at June 30, 2015</b>	<b>222,708,900</b>	<b>222,708,900</b>	<b>9,779,900</b>	<b>(18,925,548)</b>	<b>6,017,426,666</b>	<b>6,453,698,818</b>
Balance at July 1, 2013	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)	-
<b>Balance at June 30, 2014</b>	<b>221,728,780</b>	<b>221,728,780</b>	<b>9,779,900</b>	<b>(34,445,548)</b>	<b>4,574,421,669</b>	<b>4,993,213,581</b>
Balance at July 1, 2012	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)	-
<b>Balance at June 30, 2013</b>	<b>220,863,580</b>	<b>220,863,580</b>	<b>9,779,900</b>	<b>(20,304,548)</b>	<b>3,529,905,998</b>	<b>3,961,108,510</b>

THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD

STATEMENTS OF CASH FLOWS - YEAR ENDED JUNE 30, 2015

	THE GROUP			THE COMPANY		
	2015	2014	2013	2015	2014	2013
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Net cash (used in)/generated from operating activities	<b>(394,132,969)</b>	(84,771,586)	843,363,817	<b>(394,132,969)</b>	(84,771,586)	843,362,489
Net cash generated from/(used in) investing activities	<b>670,849,347</b>	(788,473,962)	(319,759,163)	<b>670,849,347</b>	(788,473,962)	(319,759,163)
Net cash (used in)/generated from financing activities	<b>(186,089,890)</b>	965,778,124	(319,434,149)	<b>(186,089,890)</b>	965,778,124	(319,434,149)
Net increase in cash and cash equivalents	<b>90,626,488</b>	92,532,576	204,170,505	<b>90,626,488</b>	92,532,576	204,169,177
Effect of foreign exchange rate changes	<b>(8,078,903)</b>	(1,925)	9,534	<b>(8,078,903)</b>	(1,925)	9,534
Cash and cash equivalents at beginning of year	<b>503,188,803</b>	410,658,152	206,478,113	<b>503,187,475</b>	410,656,824	206,478,113
Cash and cash equivalents at end of year	<b>585,736,388</b>	503,188,803	410,658,152	<b>585,735,060</b>	503,187,475	410,656,824